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REPORT
OF THE
CALCUTTA POLICE RATE
COMMITTEE.



CALCUTTA :
THE BENGAL SECRETARIAT BOOK DEPOT.
1922.



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Appointed to consider the incidence of the cost of the Calcutta police, with special reference to the possibility of its being met in whole or part from the proceeds of a police rate.



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I. Constitution.—The Committee was constituted by resolution No. 3759 Pl., of the Government of Bengal, dated the 8th November 1921.

II. Terms of reference.—The terms of reference to the Committee were, to consider the incidence of the cost of the Calcutta police, with special reference to the possibility of its being met in whole or part from the proceeds of a police rate.

III. Meetings held and witnesses examined.—The Committee have held nine sittings. They have examined orally Mr. J. S. Wilson, J.P., Deputy Commissioner of Police, Calcutta, who gave evidence on behalf of the Commissioner of Police, Calcutta, and Mr. C. C. Chatterjee, Deputy Chairman, Corporation of Calcutta, who gave evidence on behalf of the Corporation of Calcutta. The evidence of these witnesses will be found in Appendix A to this report.

IV. Other evidence.—In amplification of his oral evidence, the Deputy Chairman of the Corporation laid before the Committee a detailed note on the financial position of the Corporation, which was endorsed in general terms by the Chairman of the Corporation. This note has been placed in Appendix B. The Commissioner of Police, moreover, furnished the Committee with a statement in which the expenditure on the Calcutta police was shown under its several heads, and the approximate expenditure, calculated for the financial year 1921-22, under each head. He also supplied a list of the various Government buildings in Calcutta which are guarded by the Calcutta police, showing the guard, armed or unarmed, provided for each building. These statements are in Appendix C. The records and papers of the history of the incidence of the cost of the police in Calcutta were placed in the hands of the Secretary to the Committee by the Local Government, and the information derived therefrom is summarised in the following paragraph.

V. History of the incidence of the cost of the Calcutta police.—It is necessary to set out at some length the history of the incidence of the cost of the Calcutta police, and to explain the policy adopted by Government from time to time in the matter of local contribution. Calcutta was originally administered by an officer of the Company who was styled the Zamindar, and later, the Collector of Calcutta. In the year 1727, a Corporation, consisting of a mayor and nine aldermen, with a mayor's court, was established under a Royal Charter. This charter was surrendered in 1753, and the mayor's court re-established under a fresh charter. A house tax of two or three lakhs of rupees was at the same time authorised to defray the expense of "cleansing and ornamenting the place internally," and from the proceeds of ground rents, tolls, and other town dues "an undisciplined battalion of thanadars and peons" was entertained as a guard or night watch of the city. In 1794, under the statute 33, Geo. III, Justices of the Peace were appointed for the municipal administration of

the town and for maintaining the peace. To provide funds for this purpose they were authorised to levy a house tax, namely, "an equal assessment or assessments on the owners or occupiers of houses, buildings and grounds . . . according to the true and real annual values thereof, so that the whole of such assessment or assessments shall not exceed in any one year the proportion of one-twentieth part of the gross annual values thereof respectively, unless any higher rate of assessment shall, in the judgment of the Governor-General in Council, . . . become essentially necessary for the cleansing, watching, or repairing thereof, in which case the said Governor-General in Council . . . shall and may on any such urgent occasion, by order in Council, authorise a further assessment not exceeding in any year the half part of the amount of the ordinary annual assessment hereinbefore limited, . . . and the money thereby raised shall be employed and disposed of according to the orders and directions of the said Justices in Session respectively for and towards the repairing, watching and cleansing the said streets and for no other purpose." They were also empowered under the statute to levy an abkari tax by the grant of licenses for the sale of spirits. In 1836, according to the report of the Fever Hospital Committee, the receipts from the house tax amounted to some Rs. 1,97,200, and the receipts from the abkari tax to some Rs. 1,46,100. These amounts, after deduction of the charges of collection, were paid into the general treasury. The municipal charges of the same year aggregated Rs. 5,29,994, of which sum the cleansing, watching, and repairing of the streets absorbed Rs. 2,83,866, and "judicial and conservancy charges" Rs. 2,46,128. These latter included charges for the magistracy, police, hospital and house of correction, fire-engines, watering, lighting, prisoners' diet charges, and other contingent judicial expenditure. The excess of expenditure over receipts was therefore Rs. 1,86,694, and this excess was met by Government. The Fever Hospital Committee recommended that both police charges and municipal charges should be defrayed out of a municipal fund, to be formed from the combined receipts of the house tax, the ground rents, the abkari tax, and a proportion of the canal tolls, but their recommendations were not accepted by Government, and, by Act XXVI of 1845, even the power to grant licenses for the sale of spirits was taken from the hands of the Justices. In 1847 a new system was inaugurated; the conservancy functions of the Justices were transferred to a board of seven Commissioners, and Government assumed entire responsibility for the policing of Calcutta, and undertook the entire cost of the maintenance of the force. The municipal management of the town being thus separated from the administration of the police, to defray the cost thereof the house tax continued to be levied, and, in addition, a carriage and horse tax was imposed by Act XVI of 1847.

In the year 1864, Lieutenant-Colonel H. Bruce, c.b., Inspector-General of Police in India, in his report on the police of the city of Calcutta and suburbs, animadverted on the anomaly of the non-contribution by the city towards the cost of its own protection. Though recognising that, at the time, the resources of the municipality were surcharged with provision for the drainage, water-supply, and general sanitation of the city, he yet affirmed the principle that the greater proportion at least of the cost of the city police should be a local charge; he thought that Government would be justified in calling upon the Justices to assume the management and maintenance of the city police, although, in view of their interest in securing healthy surroundings for the troops in Fort William and at Alipore, Government might admit some liability of contribution towards works of municipal improvement. The following is a complete extract from Colonel Bruce's report of those sections which deal with this question:—

"The next point I would wish to notice is the manner in which the police of the city and suburbs is paid. Nothing can be more contrary to our sense of what is proper, or more obsolete and disjointed than our present condition. Whilst the city of Calcutta contributes nothing whatever towards its own protection, the suburbs alluded to in this paper contribute more than one half; Howrah too, which has been lately transferred back to

the mufassal police, at present pays about one half of the entire cost of its police, and I have recommended, in my report on the Bengal police, that it shall be called upon to lessen the sum paid by Government, either by reducing the police force or by additional contributions. The city of Calcutta does not even provide police-stations, and these are all hired at very high rents. As a matter of principle, I consider that at least the larger share of the cost should be raised locally. As far as Calcutta is concerned, it may be true that the seat of the supreme Government there causes the necessity of extra police, but then it likewise brings increased wealth towards the city. But supposing it were admitted on all sides that Calcutta ought to pay for its police, there would be a difficulty at present, owing to the great strain on the local resources for works of drainage, general sanitation, and an adequate water-supply, and it must be admitted that the Justices are making great efforts to raise the ways and means for these important objects. Although it may be fairly argued that the police should be paid for locally, I do not think the grounds are so strong for saying that the whole of the great sanitary work should in like manner be so defrayed. These affect large bodies which have no local connection whatever; they affect the troops in Fort William and at Alipore, and whilst it is unimportant that the Government should have a voice in the minor police appointments and in the police strength, so long as general efficiency exists, it is of the highest importance that the Government should have a powerful voice in those sanitary measures which influence the health of the troops and others appertaining to the Government. In order to give a claim to, or I might perhaps say, in order to secure this, and, at the same time, avoid the impairing of the municipal finances, I would recommend that the whole police be transferred to the Chairman of Justices, and that the Government cease to contribute in any way towards its maintenance; that the Government should admit its liability to bear a portion of the expense of works of municipal improvement, as connected with the health of the troops and others, and that a sum be determined upon as a suitable annual contribution. Or, if this measure was thought to be too sweeping, the Government, following the example at home in reference to county police, might give an annual donation of one-fourth of the cost, subject to a periodical report on the efficiency of the force by a Government inspector. Having in view the exertions being made for the completion of the great works of municipal improvement, Government might contribute for the next years towards such improvements the full present cost of the police; this sum to be gradually diminished by easy annual sums, until the sum fixed upon as a suitable annual contribution is arrived at. The measure might be extended over a period of three or even five years. Should the above plan be approved, the Government would of course have, in addition to the sum fixed as a suitable annual contribution, to defray the full cost of all police supplied from the metropolitan force for the protection of the different Government departments. The entire cost of these is at present not less than Rs. 30,000 per annum."

Not long after the publication of Colonel Bruce's report, the Government of India, being pressed for funds, issued a resolution on the subject of municipal police. The main principles laid down in that resolution were, firstly, that the cost of police maintained expressly for the services of any city or town should, as far as practicable, be defrayed by the inhabitants; secondly, that the inhabitants should raise the funds required in such manner as they might think proper, subject to the approval of the local Governments. The following are relevant extracts from the resolution:—

(1) "The ancient police system in India was strictly municipal; both in town and country the chaukidars were appointed and paid by the people. Upon this was engrafted the thanah police, who were appointed and paid by the magistrate, and were stationed in such proportions and at such points as was necessary to control the municipal police and to enforce his orders. The thanah police has now been elaborated into the constabulary force."

(2) "The following table shows to what extent the capital cities of the Empire contribute to the expense of their police."

Capital Cities.

			Total cost.	Sums contributed.	Expense borne by general revenue.
			Rs.	Rs.	Rs.
Calcutta	...	...	4,08,850	Nil	4,08,850
Madras	...	...	2,43,578	Nil	2,43,578
Bombay	...	...	2,30,361	61,868	1,68,493
Allahabad	...	...	21,600	10,800	10,800
Lahore	...	...	24,252	24,252	Nil
Rangoon	...	...	36,544	36,544	Nil
Lucknow	...	...	93,084	62,056	31,028
Nagpur	...	...	50,300	50,300	Nil
Total	..		11,08,569	2,45,820	8,62,749

(3) “As regards Calcutta, the municipal taxes leviable are:—

First a tax on horses, carriages, etc.

Second a license duty on persons exercising certain professions, trades and callings in the town.

Third a rate on all houses, buildings, and lands in the town, not exceeding 10 per cent. of their annual value.

To provide for the lighting of the public streets, an annual lighting rate may be imposed, [not exceeding 2 per cent. of the annual value of houses, buildings, and land in the town.

The Justices are to carry out a complete system for the supply of water within the town; and, when the supply shall be complete within the town or any portion of it, they may impose an annual water rate not exceeding 2 per cent. with a graduated increase rising to a maximum of 2 per cent. more, according to the height to which the water is required to be raised.

The Lieutenant-Governor may declare portions of the environs to be included in the system of sewerage and drainage; and an annual rate, to be fixed from time to time by the Lieutenant-Governor, not exceeding $2\frac{1}{2}$ per cent. of their annual value, may be imposed upon all houses, buildings, and lands situated within these boundaries.

The Justices may, with the sanction of the Lieutenant-Governor, borrow by debenture on the security of the rates, at such rate of interest and upon such terms as to the time of re-payment and otherwise as the Lieutenant-Governor may approve, any sums of money they may require for the construction of works of a permanent nature.”

(4) “The principle that towns are chargeable with the expense of their police has again and again received legislative sanction, and it has been acted upon to a greater or less extent in almost every part of the empire, but it has been acted upon with extreme inequality.”

(5) “The alternative lies before us of either exempting from contribution those towns which now contribute, or of enforcing the liability in reference to all other towns. Assuming that it is not intended to reverse the whole course of legislation up to the present time, we must consider what is required to give effect to the latter alternative.”

(6) “The commission for enquiring into the police of the North Western Provinces lay down the principle that all the police employed in duties, the performance of which is necessitated solely by the existence of the town, should be defrayed by the municipalities. These duties are the watch and ward of streets, bazars, serais, and ghauts, the protection of life and property, the preservation of peace and the prevention and detection of crime within the town. The commission then go on to say that, for the performance of Government duty, such as the guard of Government property, the serving

of processes and the custody of prisoners, it is necessary that there should be a body of police paid from the state revenues in each city: and that it is advisable that a tract of country round each large town should be under the charge of the officer at the head of the city police, and that this officer should belong to the general police. "One strong post of police," the commission proceed, "paid from the general revenues, should be sufficient within each town or city, and this post should be supplemented by police paid from the municipal funds, to the extent of the number of men and officers required for the effective performance of the police duties within the limits of the town or city; this rule, however, should be relaxed where the suburbs are inhabited by an agricultural population, and also in cities where the population fluctuates considerably, as at Benares or Muttra, where, owing to the influx of pilgrims or visitors, the permanent population can hardly, with fairness, be called upon to pay for the police required on this account; it is obvious, therefore, that the proportion between the state and municipal contributions will vary with the size of the town, the extent and position of the suburbs, and the nature or character of the inhabitants." These principles are perfectly sound. The expense of police specially required for the purposes of town populations should be defrayed by those populations. The expense of police employed in towns for Government purposes should be defrayed by the Government. Places in which, owing to peculiar circumstances, the fluctuating bears an unusual proportion to the fixed population are entitled to some assistance from Government, but not in proportion to the additional expense of the fluctuating population, because such places derive great advantage from the increased traffic of various kinds caused by it. Every place should be provided at the public expense with a sufficient establishment for the performance of those duties within the town which especially belong to the Government, and for the superintendence of the suburban police circle, where there is one. When the Government duties are only light and occasional, and no suburban district is attached, there will be no occasion for any Government establishment. Certain limits should be fixed, within which it should be at the discretion of the Government of India, on the recommendation of the local Government, to exempt particular places from their liability for defraying the expenses of their police. The maximum exemption may perhaps be fixed at one-fourth of the cost of the municipal police of every such place, no account being taken of the cost of the Government establishment. The strongest case for the enjoyment of this privilege is that of the principal sea-ports."

(7) "The cost of the municipal police ought invariably to be the first charge upon the municipal fund after the expenses of collection. This is prescribed by all the existing legislation, on the principle that protection of life and property is a primary necessity."

(8) "The local Governments shall determine what towns are liable to a charge for their police, to what extent they are liable, and what shall be the limits of the respective towns for the purposes of the Act."

The Government of Bengal invited the opinion of the Justices on the principles laid down in this resolution. The Justices in their reply freely admitted the soundness of the principle which required the municipality of a town to maintain its own police. The cost of the Calcutta police was Rs. 3,80,000 a year, besides which Government annually paid to the municipality some Rs. 40,000 for rates on Government buildings, but, for the maintenance of a thoroughly effective force, the Justices thought that the cost should be taken as 4½ lakhs a year, and of this amount they considered that 1¾ to 2 lakhs should be borne by the town and 2½ lakhs to 2¾ lakhs by the state. Conceding the principle of local contribution, the Justices at the same time upheld that the municipality of Calcutta had claims to a grant or donation from Government which were wholly exceptional claims. Although Calcutta did not directly contribute to the cost of its police, indirectly, the Justices considered, the city bore its appropriate share of the burden, to which they deprecated addition by fresh taxation. They pleaded that the canal tolls were nothing more than octroi duties, and instanced the abkari tax and the stamp duties levied within the town as imposts specially intended for the maintenance

of the police, both of which, however, had been absorbed into the imperial revenues, and from all benefit of which the city stood therefore excluded. They further urged that Calcutta forewent many sources of income which were available to the corporate towns in England, and received no equivalent for the additional customs duty levied for the benefit of the Bombay municipality on tobacco imported into Bombay. They also claimed that Government should pay for whatever police were maintained for the protection of Government depôts, the collection of the salt and abkari revenue, and the control of the troops garrisoned in Fort William and of the seamen of the port of Calcutta. Lastly, they brought forward that in operations already in progress or about to be undertaken for the drainage, water-supply and improvement of the town was involved an outlay of some 150 lakhs of rupees, the interest alone on the capital of which outlay would involve an annual imposition on the municipal funds of nine lakhs of rupees. On these grounds the Justices laid claim to a subvention from imperial revenues to the amount of Rs. 3,30,470 being one per cent. of the revenue raised in Calcutta, which subvention would be devoted to works of public utility.

The Government of Bengal over-ruled their contentions that the abkari tax and the stamp duties had been originally imposed for the maintenance of the police force, and that the canal tolls were a species of octroi duty, but to this extent countenanced the remaining pleadings of the Justices that they recommended to the Government of India that Government should agree to make a fixed annual contribution of Rs. 1,50,000 to the municipal funds, the Justices contracting to undertake all future increases of charge, and they further advised that the Calcutta police budget should be relieved of all charges which were not strictly police charges, namely, (1) prisoners' diet charges, (2) the cost of guards for the safe custody of prisoners in the jail and in the lock-up, (3) the cost of guards supplied to public departments, and (4) the cost of the pauper or lazar hospital, which charges amounted in sum to Rs. 52,000. They also recommended that a fixed annual imperial grant of two lakhs of rupees should be guaranteed towards the municipal improvement of the town.

The Government of India agreed that the Calcutta police budget should be relieved of all charges which were not strictly charges of a police nature, but they declined to entertain the claim of the Justices to a subsidy from imperial revenues, on the ground that license-fees realised from persons engaged in certain professions, trades and callings in the town had been surrendered to the municipality, the proceeds of which tax might justly have been reserved to the general revenues; moreover, a contribution of Rs. 40,000 was being made by Government on account of buildings occupied by Government, whereas in Bombay, where, under the late Municipality Act (Act II of 1865), Government lands and buildings were exempted by law from house and lighting rates, the whole cost of the police, which under similar circumstances was employed in the same manner as the police of Calcutta, was defrayed from the municipal funds of the town without any subvention from Government. Again, the police at Bombay, equally with the police at Calcutta, had to render assistance to the abkari department and to the military authorities, and there were European sailors in the port and a considerable floating European population of a low order, other than sailors, in Bombay, as there was in Calcutta, the cost of whose surveillance in Bombay was met from municipal resources. The Government of India were unable to see any circumstances in the municipality of Calcutta differing from those of the municipality of Bombay, which justified the city of Calcutta in claiming greater assistance from the state in support of its municipal funds than was conceded to the city of Bombay, and, for this reason, thought that in equity Government would be entitled to call upon the Justices to assume liability for police charges without any subvention whatever from the state, but they nevertheless consented to continue the annual payment of Rs. 40,000 for rates on Government buildings. As regards the claim made by the Justices to a subvention for works of public utility, the Government of India ruled that the propriety of making contributions from imperial revenues for such purposes,

and the extent to which such concessions should be granted, were altogether separate questions depending upon distinct considerations of their own.

The Justices protested strongly against this decision, grounding their case upon the actual terms of the resolution of the Government of India. They pointed out that all the circumstances set forth in that resolution as proper of consideration in the matter of exemption from contribution to police charges, were found combined and to an eminent degree in the instance of the city of Calcutta, which was one of the principal sea-ports of the whole of India, harboured an extensive fluctuant population, had attached to it the supervision of a large suburban area, and, lastly, by whose police Government were aided in the collection of the salt and abkari duties, and in the control of the garrison quartered in Fort William. In the matter of the advantages instanced by the Government of India as accruing to the town to the proportionate diminution of the imperial revenues, namely, the permission to impose a tax upon certain trades and professions, which was in effect an imperial form of taxation, and, secondly, the payment by Government of municipal taxes on Government buildings situated within the town, in the former relation the Justices advanced that the amount raised by the tax on professions could, with propriety and with greater equality of incidence, have been levied under a form of taxation to which the imperial Government could put forward no claim; if a license tax, they reasoned, was imposed generally throughout the whole of India for imperial purposes, and such portion of the tax as might be levied in Calcutta was made over to the municipality, in that case a substantial benefit would be conferred upon the town, whereas, in the present instance, the town had not been freed from liability to an imperial license tax, should the necessity for the imposition of such a tax throughout India generally occur, nor had one pice of the imperial revenue been thereby lost to the Government of India; in relation to the second advantage, *viz.*, the receipt of municipal taxes for Government buildings, the Justices maintained that the sole reason adduced by the Government of India in support of their claim to exemption from payment of these taxes was that such exemption was conceded in the town of Bombay; such a precedent, however, could be of little weight, unless it was shewn that the claim was in itself a just and reasonable claim, but, so far from this being the case, the Justices could see no reasonable grounds why Government, who, as owners and occupiers of property within the town, received the same advantages from municipal operations as other residents, should not, in common with those residents, bear their due proportion of that taxation which was of necessity imposed for the carrying out of those operations.

The Government of Bengal acknowledged that the arguments of the Justices contained a degree of weight, and moved the Government of India to the reconsideration of the matter. The Government of India replied that they were unable to see cause to modify their previous decision, but that, in consideration of the fact that hitherto the whole cost of the Calcutta police had been borne by the imperial revenues, they would agree to place at the disposal of the municipality, during the years 1866 and 1867, one lakh of rupees for public improvements, no guarantee being given for the continuance of the assistance. In response to a separate requisition, moreover, the Government of India agreed to borrow on behalf of the municipality fifty lakhs of rupees for the water-supply project, the municipality to pay four per cent per annum as interest on the loan, and two per cent per annum towards its redemption. This was, in effect, a contribution of one per cent per annum towards the interest on the fifty lakhs which were to be borrowed for the municipality. The Justices still did not recede from their positions, but, on the contrary, reiterated their claims, and eventually the Government of India were prevailed upon to pay, besides the cost of the police employed as guards for Government buildings, Rs. 26,272 towards the cost of the river police and one-fourth of the remaining charges of the police; these grants, however, were made conditional on the assumption by the Justices of all expenses connected with the pauper hospital.

The new system was given effect to by Act XII of 1867, which authorised the levy of a police rate on the occupiers of all houses, buildings and lands in the town up to three per cent of their annual value, or in the alternative, the

levy upon any land of a fixed annual rate not exceeding Re. 1:4 per cottah. The Act also privileged the Justices with a discretionary power to pass, reject, or modify the budget estimates of the police, which were to be prepared by the Commissioner of Police and submitted by him before the Justices. After some nine years, the power to pass or alter the budget was, by Act IV of 1876, transferred to the Local Government, so that the Justices, while providing funds for the police, were thus deprived of all power of control. In 1868, on the proposal of the Chairman of the Justices, Government agreed to credit to the police fund all fines, other than judicial fines, and all miscellaneous fees realised under the Police Act (Act IV of 1866), and three-fourths of the fees and penalties levied under the Hackney Carriage Act (Act V of 1866), after deducting the cost of collection.

During the Governor-Generalship of Lord Ripon, a complete change of policy occurred. In the year 1881, the Government of India published a resolution on decentralisation of finance, and dealing with the development of local self-government as a subject which was intimately connected therewith. In this latter context it was affirmed that the time had arrived when further development might be made in local self-government; to this end it was suggested that provincial Governments, being, as they were at that time, largely endowed from imperial sources, might, in their turn, hand over to local self-government considerable revenues similar in kind to those which had already been managed with success by local committees; it was, at the same time, advised that such items only be handed over to local control, the use of which the people were most likely to understand and to administer well. Action was taken by the Government of Bengal, according to the terms of this resolution, to relieve the municipalities in Bengal of contribution to the cost of the police. By Sir Ashley Eden's resolution of the 20th February 1882, all municipalities except Calcutta, the suburbs and Howrah, and these were expressly excepted merely for lack of funds, were exempted from police charges and invited to prepare revised estimates of expenditure with reference to the increased resources thus placed at their disposal. For this purpose the Government of India made a special grant of fifteen lakhs of rupees to the revenues of the province. In 1884 the Corporation of Calcutta also moved Government to their relief from police charges, on the stipulation that a certain sum, based on the actual charges of the past few years, be annually set aside from the general municipal fund for large town and bustee improvements, the execution of which would otherwise be beyond the resources of the Corporation. It was, moreover, suggested that the levy of the police rate might be continued under another name, *e.g.*, the drainage and town improvement rate. The Government of Bengal was prepared to undertake one half of the total police charges, on condition that the Corporation expended annually $2\frac{1}{2}$ lakhs of rupees from the general fund on sanitary improvements of an extensive and comprehensive character, the funds therefor being obtained by an increase to the house rate. The Corporation, however, demurred to any increase to the house rate, and suggested that their revenues might rather be augmented by some indirect taxation, such as octroi duties. The Local Government appointed a committee to examine this proposal. This committee deprecated the imposition of octroi duties, and, in view of the fact that the suburbs were intimately concerned with any large scheme of improvement which might be set on foot, proposed, as a first step, the amalgamation of the suburbs with the city; the committee also advocated the impost of a duty on petroleum. After the amalgamation of the suburbs with the city had been effected, the whole question was reconsidered by a second committee, which recommended the Corporation to exemption from police charges, in view of the fact that their whole resources were mortgaged in the sanitation of the new area. Eventually, and after much correspondence, by Act II of 1888, which repealed Act IV of 1876, the Corporation were relieved of contribution to the cost of the city police, on the condition that the Corporation expended annually not less than three lakhs of rupees on the execution of works of sanitary improvement in the new outlying areas. The Government of India assigned to the provincial revenues a sum equal to two-thirds of the police charges assumed by the Local Government, on the understanding that petroleum stored or consumed in Calcutta

should be exempt from local taxation, so long as it was subject to an imperial customs duty. The obligation specified in the current Act to obtain the sanction of the Local Government to a petroleum tax, in effect, debars the Corporation from imposing a local tax on this commodity, unless the imperial customs duty is first abolished. The Government of India made it plain that the arrangement was intended as a temporary arrangement, which had reference solely to the first years of the amalgamation of Calcutta with the suburbs, and to the necessity for heavy expenditure in sanitary reform in the new area, which the amalgamation had entailed. They further wished it to be clearly understood that Government reserved to itself the right to determine at what time the Corporation should be called upon to resume its liability, and to provide for police expenditure by the levy of a rate. In the intervening years, however, the question of contribution by the Corporation has never been raised.

The following are relevant extracts from the correspondence of the year 1888, which passed between the Government of India and the Government of Bengal over this matter:—

(1) “ The Government of India has never declared any proposal or policy having for its object simply and absolutely the relief of municipal revenues from all police charges. The policy of the Government of India is stated in the financial statement for 1882 as follows:—‘ Boards and committees for the administration of certain local funds already exist in most parts of India. We now wish to widen the sphere of action hitherto assigned to these bodies. The provincial Governments have therefore been invited to hand over to them such items of revenue and expenditure as may appear to be most suited to give them a real interest in the administration of the resources at their command, and, on the other hand, to take over as a provincial charge some items of expenditure, such as police, over which local bodies cannot exercise any real control.’ The same condition was set out in the letter from the Government of Bengal of the 11th February 1882, on the subject of the provincial contract:—‘ As regards municipalities, it is the intention of the Lieutenant-Governor to relieve these bodies entirely of charges for police, under a guarantee that the income now devoted to that object will be spent upon medical charity, education, sanitation, and general works of improvement, the charges now falling upon Government being correspondingly reduced.’ ”

(2) “ Neither this assignment to provincial revenues, nor any grant made by the Government of Bengal to the municipality can be considered permanent. It must be borne in mind that, from the beginning, the proposals which were made by the Government of Bengal, and the grant which the Government of India has undertaken to make, had reference solely to the expenditure which it was considered would be required during the first years of the amalgamation, in sanitary reforms, in the suburbs. The object is by its nature temporary only, and the present arrangement must therefore be considered to be dependent for its continuance upon this expenditure being required and continuing to be incurred.”

(3) “ With regard to the question of the duration of the contribution to the new Calcutta Corporation in aid of the charges for the city police, His Honour the Lieutenant-Governor urges that it is impracticable to make any provision in the bill for the resumption of this contribution, and considers that it should be left to future legislation, if necessary, to enable Government to resume it by laying upon the municipality the responsibility for the maintenance of its police. I am to say on this point that, if it is clearly understood that, as the Government of Bengal admits, Government is free at any time to introduce legislation for the levy of a police rate in aid of police expenditure in Calcutta, the Government of India will not insist on the inclusion in the present bill of any guarantee such as was at first proposed. It will be understood that the Government of India may, at any time, in readjusting the imperial and provincial arrangements, consider that the time has come when police expenditure in Calcutta should cease to be allowed for in the assignment, and may leave it to be provided for partly or wholly by levy of rates.”

The following is an extract from a letter from Her Majesty's Secretary of State for India to the Government of India:—

" Although the Act makes no provision for the levy of a police rate, or the expenditure of the municipal income on police, the propriety of imposing on the presidency town the liability of contributing to the charge for police protection within the municipal area is insisted on by Your Excellency's Government, and is not disputed by the Government of Bengal. In order, however, to obviate the objection to including outlying suburbs in the municipal area, and to secure the essential to the public health, you have consented that the municipality, pledging itself to expend from its income a sum of not less than three lakhs annually on such suburban improvements, shall, for the present, be relieved of the contribution, amounting nearly to three lakhs, which it has heretofore made to the police charges; and section 37 clause 7 of the Act imposes on the municipality the obligation it has accepted. I approve of the course you have adopted in intimating to the Government of Bengal that the exemption from police charges which you have sanctioned is not to endure permanently, and that your Government reserves to itself the right to determine at what time the municipality shall be called upon to resume its liability to these charges, and to provide for police expenditure by the levy of a rate."

VI. Synopsis of the above paragraph.—From this review it is seen that in the eighteenth century, the expenses of the watch and ward of the city, as well as of conservancy and road repairs, were defrayed from the proceeds of a local rate. In the first half of the nineteenth century, Government made over to the municipality the receipts from the abkari tax, and, to an increasing degree, supplemented the yield of local taxation by donations from general revenues, till, in 1845, the abkari revenue was resumed, and, in 1847, Government assumed entire responsibility for the police administration of the town. In 1865 the Government of India propounded the principle that the expense of police expressly maintained for the service of a town should be defrayed by the inhabitants of the town, and, beginning from 1867, a police rate was levied on the occupiers of houses and lands in Calcutta; while from that year till 1876, the Justices of the Peace exercised control over the budget of the Commissioner of Police. In 1881 Lord Ripon's policy of strengthening local self-governing institutions was embarked upon. Since local bodies could not suitably control the police, Government took over expenditure on police, corresponding and equivalent burdens being placed upon the local rates. In 1888 the Corporation of Calcutta were admitted to the benefits of this policy. The clearest stipulation was, however, made that the time might come when the city would once more be called upon to levy a police rate.

VII. Incidence of the cost of the police in the principal cities in Europe.—In the majority of the principal cities in Europe, the greater proportion of the cost of the town police is met from local funds.

VIII. In Bombay and Madras.—The Committee addressed the Governments of Madras and Bombay, in order to ascertain whether the inhabitants of the towns of Madras and Bombay are required to contribute towards the cost of their police, but, up to the time of the signing of this report, no reply had been received from either Government.

IX. City liable for local expenditure only. Certain areas to be excluded.—The Committee are agreed that, if it is decided to make Calcutta pay for its police, the entire expenditure which is controlled by the Commissioner of Police could not in fairness be charged upon the ratepayers, but such expenditure only as is local in character. In 1864 the Government of India explicitly recognised that a certain proportion of the duties which are performed by the police in towns like Calcutta, are not merely local in their sphere of operation, and that the protection of Government buildings is also a proper charge against Government. It is, moreover, to be remembered that the area which is under the administrative control of the Commissioner of Police is greater in extent than the area of the Calcutta municipality, including, as it does, the municipalities of Cossipore-Chitpore and Manicktollah, as well as portions of Garden Reach and of Tollygunge. The imposition of a police rate on these suburban municipalities is apparently not contemplated,

and, in view of their backward condition and the magnitude of their need in the matter of sanitation, such an exaction would, in the opinion of the Committee, be inadvisable.

X. Proportion of expenditure which is local.—The question of what proportion of the expenditure on police can justly be termed local has been carefully considered by the Committee, and, in this connection, they have taken the detailed evidence of Mr. J. S. Wilson, Deputy Commissioner of Police. The cost of the Calcutta police has been apportioned by the Commissioner of Police to the following thirteen heads, the approximate expenditure calculated under each head for the financial year 1921-22 being set down against each head:—

	Rs.
(1) port police	436,500
(2) administration	349,900
(3) investigation	538,700
(4) patrol	404,100
(5) courts	96,400
(6) armed police	152,400
(7) traffic police	361,600
(8) mounted police	128,500
(9) guards	265,000
(10) escorts and orderlies	103,400
(11) reserve	320,600
(12) Criminal Investigation Department and Special Branch	216,100
(13) expenditure incurred on areas which are outside the area administered by the Corporation of Calcutta.	180,000
Total ...	<hr/> 35,61,200 <hr/>

We think that these various heads of expenditure should be divided in the following proportions:—

1. *Port police.*—The port police may be excluded from consideration, since the Commissioners of the Port meet seven-tenths of the charges under this head.

2. *Administration.*—This charge should be divided in the same proportion as the total charge is divided, which proportion, as stated below, is fixed by the Committee at half and half.

3. *Investigation.*—As regards charges under the head investigation, cases from the province and from all parts of India are investigated by the Calcutta police, but we are nevertheless of opinion that the greater part of the work of investigation which is performed by the force is local work. We would apportion the charges under this head as three parts local and one part provincial.

4. *Patrol.*—Patrol is the ordinary watch and ward police. Charges under this head are entirely local, and they were so described by the Commissioner of Police.

5. *Courts.*—Guards are provided by the Calcutta police for the Sealdah and the Alipore courts, and we would therefore allot the charges under this head as four parts local and one part provincial.

6. *Armed police.*—Of the existing three companies of armed police one company was sanctioned chiefly for the protection of buildings belonging to the Government of India and the Government of Bengal, *e.g.*, the Currency Office, the Customs House, and the Calcutta Collectorate. The Commissioner of Police, therefore, considered that one-third of the charges on account of the armed police might be described as provincial, and we think that his estimate should be accepted.

7. *Traffic police.*—The traffic police are mostly employed in Calcutta proper, and their duties are strictly local, but, on occasions, the force performs duties in areas which are outside the Calcutta municipality; we would therefore attribute four-fifths of the cost of the traffic police to the city.

8. *Mounted police.*—On the principle which has been suggested in the case of the traffic police, we would charge four-fifths of the expense incurred on the mounted police to Calcutta.

9. *Guards*.—Guards are chiefly provided for the protection of Government buildings, including buildings belonging to the Government of India. The Committee agree with the Commissioner of Police that charges under this head are properly provincial charges.

10. *Escorts and orderlies*.—Escorts are provided for moneys taken to and from the Alipore treasury, while escorts for moneys from the mint, and guards from elsewhere passing through Calcutta, are strengthened. To this extent, therefore, expenditure under this head should be debited to the province and not to the city, and we accept the division of half provincial and half local, which was proposed by the Commissioner of Police, as a reasonable division.

11. *Reserve*.—By reserve is meant reserve for the leave and training of the force as a whole. Expenditure under this head should be divided according to the proportion in which the total expenditure is divided, *i.e.*, equally between provincial and local.

12. *Criminal Investigation Department and Special Branch*.—Referring to charges under the head Criminal Investigation Department and Special Branch, Mr. Wilson, in giving evidence, said that the crime committed in the province by criminals who had their headquarters in Calcutta, was greater in extent than the crime committed in Calcutta by provincial criminals. He also affirmed that, even if these departments had not to deal with crime from the province, it would still be necessary to maintain the departments at their present strength, instancing in support of his contention, and as an example of the work performed by these departments, big commercial cases ramifying to all parts of India. Further, there are officers of the provincial police doing similar work in Calcutta. Mr. Wilson, for these reasons, admitted that a case for attributing more than half of the charges under this head to Calcutta could very well be made out. We think that a proportion of three parts local and one part provincial would be fair.

13. *Outside the area of the Calcutta municipality*.—This expenditure is wholly provincial.

It will be found, after calculation on the above basis, that the expenditure which we consider to be local in character amounts to some 19½ lakhs of the 35 lakhs of total expenditure. We are therefore agreed that, for practical purposes, not more than one half of the total cost of the Calcutta force could properly be debited to Calcutta, and that, if it is decided to make Calcutta contribute towards the cost of its police, the ratepayers should not be considered liable for more than one half of the total cost of the force.

XI. **Net amount chargeable to the city**.—The above estimate of a total expenditure of Rs. 35,612,000 for the financial year 1921-22, which, as stated above, is the estimate of the Commissioner of Police, does not include the provision of five lakhs made in the budget of this same year towards the erection of a new Alms House. The figures of the Commissioner of Police are therefore divergent a good deal from the figures given on page 82 of the publication issued by the Government of Bengal and entitled “the Civil Budget Estimate for the year 1922-23,” where the revised budget estimate for the Presidency police for the financial year 1921-22 is given as follows :—

Summary.					Revised estimate, 1921-22.
					Rs.
Superintendence	...	...	...	...	3,28,000
Calcutta police	...	...	...	...	32,64,000
River police	...	...	...	...	39,000
Dock police	...	...	...	...	— 4,000
Cattle-pounds	...	...	...	...	4,000
Police dead-house	...	...	...	...	11,000
Police supplied to private individuals	...	...	...	...	17,000
Hospital charges	...	...	...	...	74,000
Lump provision	...	...	...	...	.....
Total					37,33,000

In the above table, under the head Calcutta police, is included the provision of five lakhs for the Alms House, as is clearly seen from the details of the expenditure which are set out on page 83, where, against the item "other non-contract charges," the following figures are given, budget estimate 1922-23 Rs. 72,000, revised estimate 1921-22 Rs. 5,76,000, budget estimate 1921-22 Rs. 5,90,636, actuals 1920-21 Rs. 74,085. Moreover, in the comparative statement of the police budget estimates for 1921-22 (revised) and 1922-23, which was recently circulated for the information of the members of the Bengal Legislative Council, in explanation of the proposal to budget not more than Rs. 27,22,000 for the Calcutta police for the financial year 1922-23, it is stated that the decrease in expenditure is mainly due to the omission of the special provision of five lakhs for the Alms House, which was included under "other non-contract charges" in the estimate of 1921-22. Again, actual expenditure on the Calcutta police for the last six years has been as follows :—

					Rs.
1916-17	...	...	...	...	19,61,039
1917-18	...	...	...	...	21,14,749
1918-19	...	...	...	...	21,43,992
1919-20	...	...	...	...	23,26,578
1920-21	...	...	...	...	28,57,530
1921-22	...	...	...	...	14,01,327

(six months)

We therefore think that the average yearly expenditure on the Calcutta police should be calculated as not more than 28 lakhs of rupees, and that this latter figure should be taken as the basis of calculation for the purpose of this report, rather than the figure of 35 lakhs. Not more than fourteen lakhs should therefore, in our opinion, be considered to be expenditure which is local.

We consider it equitable that police receipts should be divided in the proportion in which the corresponding head of expenditure is divided, and this proportion of the receipts credited to the account of the city to the corresponding diminution of the city's liability. Under the heading traffic police is included the Motor Vehicles Department. The revenue from fees accruing to that department in the financial year 1920-21 amounted to Rs. 1,70,145, of which four-fifths should, on the above principle of division, be credited to Calcutta. Fees realised under the Police Act in Calcutta in the same year totalled Rs. 21,719. This amount should be divided in the proportion in which the total expenditure is divided, that is, half and half. Surplus fees realised under the Calcutta Hackney Carriage Act are, after meeting expenditure, already made over to the several municipalities, and therefore no account should be taken of receipts under this head. We think that it is also fair that the fines realised under the Police Act, the Motor Vehicles Act and the Hackney Carriage Act should be divided in the proportion in which the total expenditure is divided, and the half of these fines credited to Calcutta. These were in the financial year 1920-21 as follows:—

					Rs.
Under the Police Act	...	...	...	...	1,14,165
Under the Motor Vehicles Act	...	...	...	...	48,625
Under the Hackney Carriage Act	...	...	...	...	17,113
Total	...	...	...	...	2,09,933

According to calculation on the above principles, the city should be granted credit for over two lakhs of rupees, and should therefore be required to pay not more than twelve lakhs yearly towards the cost of its police.

XII. Method of raising the money.—If it is determined that Calcutta must provide for police expenditure, the question arises how the money should be raised. Plainly the object aimed at by the advocates of the policy, namely, the relief of provincial revenues, would not be attained by the transfer to the Corporation of any existing source of revenue, such as excise revenue. The only courses, therefore, which are open are, (a) the imposition of additional indirect taxation such as an octroi, and (b) the levy of a rate either

on occupiers of lands and buildings, or on both owners and occupiers. We think that the proper course would be to levy a rate the amount of which would yield the precise revenue required, and as the owners of property are especially interested in the efficiency of the police, we consider that such a rate should be equally divided between owners and occupiers, as is the case with the consolidated rate which is levied by the Corporation. We are informed that there would be no administrative difficulty if a police rate were added to the consolidated rate, and the two rates were collected together through the agency of the Corporation. A rate of one per cent. on the annual valuation of the city at the present day yields some six lakhs of rupees. A two per cent. rate would, therefore, yield the amount of twelve lakhs which is required.

XIII. Advisability of the imposition of a police rate. Committee divided in opinion.—Since the Committee is divided in opinion on the question of the advisability of imposing a police rate, it seems best to set down in this report the opposing considerations to which it appears that weight should be attached. Some of us think that the arguments in favour of a police rate preponderate, while others are of the contrary opinion.

XIV. Arguments in favour of a police rate.—The following arguments are put forward in justification of the impost:—

(1) The analogy of the cities of Europe.

(2) The past history of the incidence of the cost of the Calcutta police, which is set down in paragraph V of this report. Relief from police charges was granted to the Corporation to relieve a situation of difficulty and monetary stress, and with a definite and temporary object in view, namely, the sanitary reform of the amalgamated area. The amalgamation of the suburbs is to-day a thing of the past, and the city has since developed greatly, and the wealth of its citizens has increased out of all measure, so that the continuance of the relief cannot, under existing circumstances, be fitly insisted on.

(3) The object avowed by the Government of India in the issue of the resolution of 1881, in pursuance of which resolution exemption from police charges was conceded to Calcutta, was the development of local self-government. In India, in the year 1881, local self-governing institutions were at an incipient stage of development, and nascent institutions, it is well known, need help and fostering for their proper growth. The Corporation of Calcutta had, moreover, in the assumption of charge over the suburbs, recently taken over a serious increase of responsibility, so that the resources of the Corporation were in consequence manifestly over-taxed. The Corporation of Calcutta no longer need any such prop or any adventitious subvention, and can with equity and fairness be called upon to forego an indulgence which was granted at an early stage of its development as a self-governing body, and with the object of facilitating and encouraging that development.

(4) The Corporation were relieved of police charges on condition that a sum of not less than three lakhs of rupees was expended annually in the sanitary reform of the suburbial area. The cost of the Calcutta police in those days was some four lakhs of rupees, of which sum the Corporation contributed nearly three lakhs. The requisition made was therefore equivalent to the relief afforded, and this was in accordance with the terms of Lord Ripon's resolution; moreover, in their correspondence with the Government of Bengal, the Government of India insisted that the charges falling upon Government should be reduced correspondingly to the amount of the liability undertaken by Government. The cost of the Calcutta police has increased to such a degree that to-day the force absorbs nearly thirty lakhs of the revenue of the province, whereas the liability of the Corporation has remained the same all these years. The engagement, therefore, which was entered into by the Corporation in compensation for the relief granted, from being a real and burdensome imposition has become a nominal load and a forgotten obligation, since the Corporation must in any case, and apart from any obligation to do so, spend every year more than three lakhs on the sanitation of the city, but the wealth of the city and the resources of the

Corporation are far greater than in the days when the liability was undertaken, and the benefit of the relief has been reaped for more than thirty years.

(5) The cost of the Calcutta police force is approximately one-fifth of the total expenditure of the province on police. Because Calcutta is a city of imperial and international importance, the city is, for this reason, required to maintain such a police establishment as is consonant and in keeping with its position, and the Calcutta force must therefore be better clothed and better equipped than funds permit to clothe or equip the provincial force; the charges on account of land acquisition, rent, etc., are also very much higher in Calcutta than elsewhere in Bengal. It is only fair that the city should, at any rate, admit liability for this additional expenditure, of which its residents enjoy the fruits in the improved appearance and consequent increased efficiency of its force.

(6) Owing to the number of persons congregated in a small space, as well as to the increased facilities for and incentives to crime, the expense of police protection is greater in town than in country, and the proportionate charge should be regulated accordingly.

(7) In Lord Ripon's resolution, the handing over of certain funds to self-governing institutions was suggested to the Local Government on the ground that the Local Government was at that time well-endowed from imperial revenues. It is well-known that this is no longer the case, and a concession allowed at a time of plenitude of funds, could, at a time, such as the present, of great and admitted scarcity, with justice be resumed.

(8) It is to be expected that the expenditure on the Calcutta police will increase with the growth of the city, and to a far greater corresponding degree than the expenditure on the provincial police. Within a few years, therefore, it will be still more difficult for the province to meet the charge.

(9) The inhabitants of the village areas in Bengal pay annually for their protection as much as fifty-six lakhs of rupees by way of *chaukidari* tax. This tax is levied upon every single inhabitant of the village, only the very poorest being conceded exemption. This being so, it cannot be considered either equitable or reasonable that the moneyed citizens, shops and business houses of Calcutta should enjoy complete immunity from contribution to the cost of the greatly superior protection with which they are provided.

(10) Admitted that in income tax Calcutta pays to the central revenues far more than the rest of the province, this fact but serves to indicate that its residents are well able to contribute to the cost of their police.

XV Arguments against a police rate.—The considerations which are advanced against the levy of a police rate are the following:—

(1) The analogy of European cities cannot justly be applied to the case of Calcutta, which should be considered with strict reference to its own conditions and circumstances, and on its own merits.

(2) In comparison with the population of the rest of Bengal, the inhabitants of Calcutta contribute to both central and provincial revenues an amount in taxation which is disproportionately great. To take two instances of this only, in income tax Calcutta and the suburbs of Calcutta, according to figures furnished to the Committee by the financial department of the Local Government, paid, in the financial years 1920-21, to the central revenues, twelve times as much as the rest of Bengal, although it must be remembered that some firms, both in Howrah and elsewhere in Bengal, pay the tax in Calcutta; in excise dues, moreover, Calcutta and the suburbs contributed to the provincial revenues in the same year Rs. 66,68,449, while the rest of Bengal contributed not more than Rs. 1,29,64,868.

(3) The financial position of the Corporation is such that, within a few years, the imposition of the maximum amount of taxation which is allowed by law, namely 23 per cent, will be unavoidable. A scheme for the improvement of the water supply has already been taken in hand, and, within a few years, the reconstruction of the drainage outfall of the city will be a necessity.

Both these schemes will require a very large outlay. Further, the Corporation is committed to the introduction, though gradual, of free compulsory primary education. As already stated, the Corporation have furnished the Committee with a note compiled by the Deputy Chairman of the Corporation, and containing a forecast of the estimated receipts and expenditure for the five years from 1922-23 to 1926-27. This forecast shows that the maximum statutory limit of taxation will be reached in the financial year 1926-27, and that already many sanctioned and sorely needed improvements are being held over for want of funds, a process which cannot be continued indefinitely. In view of the straitened financial position of the Corporation, it is inadvisable to place additional burdens upon the ratepayers.

(4) The considerations which led to the relief of the Corporation from contribution to police charges still persist, and are to-day as strong as ever; the sanitary improvement of the city is still a crying need, which the Corporation have altogether insufficient funds to satisfy.

(5) It is impossible to impose a Calcutta police rate on the residents in the areas Cossipore-Chitpore, Manicktollah, Tollygunge and Garden Reach, which are outside the boundaries of the Calcutta municipality, though within the jurisdiction of the Calcutta police. These municipalities are in a precisely similar position to other suburban towns, and require for sanitation every penny which they can raise. Moreover, in a large part of the area administered by the Corporation of Calcutta, the same conditions are admittedly prevalent.

(6) It is not possible to distinguish the case of Calcutta, in respect to the levy of a police rate, from the cases of the other municipalities in Bengal, in which such a levy is not proposed.

(7) There exists a strong feeling among the people of Calcutta against contribution by local rate, unless the ratepayers are granted a substantial voice in the control of the police, and this concession, apparently, Government are not prepared to make.

XVI. Views of Mr. Beadel.—One member of the Committee, Mr. C. F. Beadel, M.L.C., was obliged to leave India before the Committee had concluded their deliberations. Mr. Beadel, in so far as he was able on the evidence which, up to the date of his departure from Calcutta, had been placed before the Committee, embodied his views in a letter to the Secretary of the Committee, which is annexed to this report.

XVII. The Committee are indebted to their Secretary, Mr. Hubert Graham, I.C.S., for drafting this report, and for the care with which, in other respects, he has carried out his duties.

I sign subject to the subjoined note.

C. H. BOMPAS, *President*.

I have expressed my views in my note of dissent.

RAMTARAN BANARJI.

The Committee is equally divided; I sign subject to a separate note appended herewith.

RADHA CHURN PAL.

I sign subject to the subjoined note.

A. C. DUTT.

I am in favour of a police rate.

UPENDRALAL ROY.

I am in favour of a police rate.

K. M. AZAM.

The 1st May 1922.

Letter of Mr. C. F. Beadel.

THE SECRETARY,

*Calcutta Police Rate Committee.**Calcutta, the 4th March 1922.*

DEAR SIR,

As I leave for England on the 16th instant, it is not likely that I shall be able to attend another meeting of the Committee, and I therefore beg to set forth below my views, so far as I have been able to form them on evidence placed before the Committee to date.

(1) I consider that a proportion of the cost of the Calcutta police should be paid by the citizens of Calcutta, and place this proportion at two-thirds of the total cost, leaving one-third to be defrayed out of provincial revenues.

(2) As it is quite evident that the financial resources of the Corporation of Calcutta are unequal to meet any fresh charge, it will be necessary to levy a police rate.

(3) In my opinion, a police rate should be paid by owners and occupiers in equal shares.

(4) To facilitate collection it would, in my opinion, be necessary to add the police rate to the consolidated rate.

(5) The Deputy Chairman of the Calcutta Corporation, in his evidence before the Committee, stated that, if the city is to contribute towards the cost of the police, then it should control the police, but I am not in agreement with him in this view, and consider that, for the present at any rate, the control of the police should remain in the hands of the Local Government.

Yours faithfully,

C. F. BEADEL.

Separate note by Mr. C. H. Bompas.

On the whole, I am of opinion that it would be better not to impose a police rate in Calcutta. It must be admitted that there is some special expenditure incurred to meet the special circumstances of Calcutta, such as expenditure on the traffic and mounted police, and there could be no injustice in asking that this should be paid for from local sources. These are, however, comparatively small items.

My reasons for deciding against the levy of a police rate are the following:—

(1) It would be difficult to impose a police rate on the whole area under the jurisdiction of the Commissioner of Police. It is not possible to distinguish the case of part of the Garden Reach and Tollygunge municipalities from that of other towns which are under the Bengal police. There is also a considerable area in the south of Calcutta proper which is in the condition of the ordinary mufassal town.

(2) Although the expense of the Calcutta police is proportionately higher than that of other towns, I am not satisfied that it is disproportionate to the contribution to the public revenues made by the inhabitants of Calcutta.

(3) If a police rate is imposed, it will add to the difficulties of extending the area under the jurisdiction of the Commissioner of Police. I think that the time must be near when Howrah will have to be amalgamated with Calcutta for police purposes.

(4) If the people of Calcutta pay a 2 per cent. rate to meet half the cost of the police, there will undoubtedly be a cry that they should have a voice in the control of the police. This demand could not possibly be granted.

and permanent discontent would arise. It seems to me peculiarly inopportune, at a time when the functions of Government have been divided between reserved and transferred subjects, to endeavour to pay for the cost of the Calcutta police partly from a local rate and partly from provincial funds on the reserved side of the budget.

(5) The proposal originated from a feeling that Calcutta, on account of its great wealth, should make a special contribution in relief of the finances of the province. That claim is much weakened since the imposition of the amusement tax, which is, in fact, a special contribution from Calcutta in aid of the provincial revenues.

(6) If it is decided that Calcutta should make a further contribution in relief of the provincial revenues, I should prefer to transfer from Government part of the liability for the maintenance of the Calcutta hospitals. Government contributes to the upkeep of these hospitals some 18 lakhs a year. If part of these charges were transferred to the Corporation, it would not be impossible to allow representatives of the rate-payers to have a voice in the management of the hospitals.

C. H. BOMPAS.

The 22nd March, 1922.

Separate note by Rai Ramtaran Banarji Bahadur.

As ill-health prevented me from attending the last two meetings of the Committee, I am sorry I could not take part in its final deliberations. I am therefore compelled to record my views in the following note.

The Committee was appointed to consider the incidence of the cost of the Calcutta police, with special reference to the possibility of its being met in whole or part from the proceeds of a police rate on Calcutta. At an earlier meeting of the Committee, the question whether control would follow contribution, *i.e.*, if the Corporation were made liable for costs, the control of the Calcutta police should be granted to the Corporation, was decided as within the terms of the reference.

It cannot be denied that the entire expenditure controlled by the Commissioner of Police includes charges which are not purely of a local character, such as the protection of Government buildings and the cost of the Criminal Investigation Department and Special Branch, escorts and orderlies, etc. Even assuming for the sake of argument that the city may be called upon to pay only such special expenditure incurred to meet the special circumstances of Calcutta, such as the traffic and mounted police, these, as has been pointed out by the President of the Committee, are small amounts. The city will then be entitled to credit for the police receipts derivable from certain sources.

As regards imposition of the rate, the guiding principle has been laid down by Lord Ripon's Government in the memorable resolution of the 1st October 1881 on local self-government, which runs as follows:—"His Excellency in Council observes that, at present, the total amount spent on police by municipalities in British India amounts to about 27½ lakhs of rupees. The only function which the municipalities discharge in regard to police is the provision of funds for the purpose of meeting the whole or a portion of the cost of the municipal police force. They practically exercise no control over the police, and cannot, therefore, be expected to take any special interest in the efficiency of the force, or to look with sympathy on the provision of the law which treats them as a machinery for raising taxes to be spent on a department over which they have no control, and in the efficient and economical expenditure of which they have but little direct interest and no immediate responsibility. *The Governor-General in Council would therefore be glad to see municipal bodies relieved altogether of the charge for police,* and an equal amount of expenditure on education, medical charity and, if possible, public works of local interest being transferred to them, with as full control as may be practically expedient over the details of such expenditure." And again, the Government of India in its letter to the Government of Bengal, 1888-89,

says:—"The provincial Governments have been invited to hand over to them (local authorities) such items of revenue and expenditure as may appear to be most suited to give them a real interest in the administration of the resources at their command, and, on the other hand, to take over as a provincial charge some items of expenditure, such as police, over which local bodies cannot exercise any control. The same condition was set out in the letter from the Government of Bengal of the 11th February 1882, on the subject of the provincial contract. "As regards municipalities, it is the intention of the Lieutenant-Governor to relieve these bodies entirely of charges for police, under a guarantee that the income now devoted to that object will be spent upon medical charity, education, sanitation and general works of improvement, the charges now falling upon Government being correspondingly reduced."

As specially bearing upon the question before us, I may quote the following from the letter of the Government of India (Home Department) No. 27 of the 27th March 1890. "As regards the relation between the Bengal Government and the Corporation, I am to observe that, in the absence of any such extraordinary contingency as may compel it to do so, the Government of India has no intention of imposing a police rate, so long as it is satisfied that the two conditions laid down are fulfilled, namely, (1) that the relief given will be devoted to works of sanitation, and (2) that it will not be diverted to the reduction of municipal taxation." This decision of the Government of India appears to me to conclude the question, and it is not open to the Government of Bengal to reagitate the matter. The conditions laid down have been fulfilled, and no extraordinary contingency has arisen to compel the Government to impose the police rate. The desire of some mufassal members to see Calcutta taxed, nor the financial stringency of the Government of Bengal, is not the extraordinary contingency contemplated by the Government of India.

It is well known that, by the Calcutta Municipal Act II of 1888, the Corporation was relieved of contribution to the cost of the city police, on condition that the Corporation expended not less than three lakhs on the sanitary improvement of the added area. *The Government of India assigned to the provincial revenues a sum equal to two-thirds of the police charges assumed by the Local Government*, on the understanding that petroleum stored and consumed in Calcutta would not be subject to local taxation, so long as it is subject to imperial Customs duties. Section 206 of the Calcutta Municipal Act debars the Corporation from imposing a local tax on this commodity, except with the previous sanction of the Local Government, which cannot be granted unless the duties be first abolished.

It is therefore clear that the Calcutta Corporation was relieved of the police charges, firstly, on the ground that a local authority which has no land in the administration of and no control over the police, should not be compelled to provide funds for its upkeep and maintenance, secondly, the provincial revenues were relieved *pro tanto* by a grant from the Government of India, and, thirdly, the Government of India, in view of the imposition of the customs duty on petroleum, debarred the Calcutta Corporation from imposing any rate on that commodity introduced, stored, or consumed in Calcutta.

I shall not dilate on this question, as the various grounds are summarised in the note of the Deputy Chairman of the Corporation of Calcutta which was placed before the Committee. I accept his views, and the said note may be taken as embodying my views and should be printed as part of this note of mine and I have obtained his consent to it. The note deals categorically with the various grounds put forward for imposing a police rate on the city, and I consider the facts and figures stated therein refute the arguments of the supporters of the measure.

It would be superfluous indeed for our present purposes, to enter into the past history in respect of the imposition of a police rate on Calcutta and the liability of the city to defray the costs thereof, as the matter was fully threshed out in all its bearings in a protracted correspondence between the Government of India and the Government of Bengal in the eighties of the last century, and

the question was finally decided by the Government of India in their letter dated the 27th March 1890, quoted above. The matter is therefore concluded by the said decision of the Government of India.

There are some important considerations bearing upon this question which do not appear to have been duly considered. Protection of life and property of the subject is a duty which belongs to the State. The corresponding duty on the part of the subject is allegiance to the Crown. The duties are reciprocal, and therefore the Government has all along reserved to itself the power of administering the police. The principle embodied in the resolution of Lord Ripon's Government, which has since been ratified by the Governments of succeeding Viceroy, lays down in emphatic terms that any local authority which would supply funds for any particular purpose should have the entire control and administration thereof; Government is loath, as we all know, to entrust the administration of the police in the hands of the Corporation or of the representatives of the city in which the popular voice would predominate.

Since the relief of the police charges, the Corporation has ungrudgingly taken upon itself the expenditure of vast sums of money to carry out what has been laid down in the Act as its secondary duties in section 14 (2). It has to that extent set free the amount spent out of the provincial revenue under those heads. The Corporation contributes yearly some eighteen lakhs of rupees towards the maintenance of hospitals, which are Government institutions. It contributes largely to the cost of education by grants to schools and libraries, and by remission of rates in respect thereto. It has undertaken to defray the whole of the recurring costs of primary education in the city. The colossal scheme for improving the supply of filtered water, which will cost Calcutta not less than $2\frac{1}{2}$ crores of rupees, will also to a great extent benefit the neighbouring municipalities of Barrackpore, Dum Dum, Cossipore-Chitpore, Tollygunge and other suburban municipalities, and will improve the health of the people inhabiting those areas. Another huge expenditure, which will devolve upon the Corporation in the near future, is the provision of an efficient outfall for the drainage of the city. The silting up of the Bidyadhari which has been receiving the sewage of Calcutta, due to natural causes which have baffled the efforts of Government as well as of the Corporation, would necessitate the provision of another outfall at an enormous cost amounting to several crores of rupees.

The Corporation has not been allowed to appropriate what are essentially local taxes such as excise, tax on amusements, etc. Those taxes go to swell the provincial revenue, and well may the city urge "release to the city what is legitimately its own, and the city will be prepared to bear its legitimate burden".

I do not see that there is any real ground for my colleagues who represent the mufassal as distinguished from Calcutta, to urge the imposition of a police rate on the city, as that would not in any way release the provincial revenue *pro tanto* for being applied to the needs of the mufassal. If the principle upon which they have proceeded, viz, each part of the province or district should pay for its own expenses, be correct, the enormous amount raised from the city of Calcutta by way of income-tax, duty on stamps, etc., should not be applied to help the administration of the outlying districts.

The wealth of Calcutta has been made a ground for the imposition of this additional rate, but it should be borne in mind that Calcutta already pays Rs. 20 per head of population as local rate only, the mufassal municipal area pays even less than Rs. 3 per head, and non-municipal area not even 8 annas per head.

The increase of land values during the last five years has been pointed out by Mr. A. C. Dutt as an additional reason why owners and occupiers of houses should be subjected to the payment of an additional rate for the costs of the police. But Mr. Dutt forgets that the rise in land values was due entirely to the improvements effected by the city at its own cost; in fact it was merely a return for the enormous outlay made by the Corporation. The Corporation of Calcutta, as well as the Calcutta Improvement Trust, have, at a very

large outlay of capital, effected immense improvements in the city, which have mainly contributed to raise the value of land and house property in Calcutta. The rate-payers of Calcutta have paid for those improvements, and have been paying for them by way of rates on the heavy increase of assessment due to the increased valuation of property. The Corporation of Calcutta contributes yearly 12 lakhs to the Improvement Trust, and the city in cases of transfer pays at the rate of 2 per cent. on the value of the property, besides other taxes and contribution. The assessments of rateable property in Calcutta have considerably gone up. In many instances the assessment has doubled and trebled itself. This aspect of the question has been entirely lost sight of by the learned member. If the land boom which caused a sudden and temporary rise in land values has been considered by Mr. Dutt as affording a reason for the imposition of the rate, I may point out that the land boom was due to certain abnormal causes which have disappeared; the boom is followed by a slump, just as deflation follows inflation as certain as night follows day.

I agree generally with some of the reasons which have been given by the President of the Committee in his note, and I record my opinion that a police rate should not be, and cannot be, imposed upon the city for the reasons set forth above, and in view of the solemn and emphatic pledges given by the Government of India from time to time, and, at any rate, not until the city is allowed to appropriate the excise tax and other local taxes, and given full control of the fund and of the administration of the police. I am further of opinion that, in consonance with the avowed policy of the Government of India since the memorable resolution of Lord Ripon's Government, and the subsequent declaration by the Government of India as quoted in the Deputy Chairman's note, no police rate should be imposed upon the city unless the Government is prepared to make over the entire control and the administration of the police to the Corporation of Calcutta. This follows irresistibly from the principle laid down by the Government of India that, if local bodies have to raise funds for a particular object, they should have control over those funds.

I had occasion to urge this question upon the attention of the Local Government in connection with the administration of the fire brigade by the Corporation of Calcutta, and it would not be out of place to bring to the notice of Government the reasons which were then assigned by the Corporation in support of their views. The controversy led to the introduction of a legislative measure relating to the city fire brigade, which is now engaging the attention of Government, and it has been practically decided that the control of the fire brigade should vest in a committee composed of the representatives of those who contribute to the fund.

Before I conclude, I may be permitted to point out that the draft report, although it gives a detailed account of the history of the Calcutta police which seems to be hardly relevant to the question at issue, omits to mention the most important point, that the whole policy of the Government as regards the imposition of a police rate on the city of Calcutta has been completely changed by the Government of India's letter of 1890 and the resolutions of 1915 and 1918. It is remarkable that no reference has been made to these most important documents essential to the decision of the present question. Evidently the Committee has failed to consider the effect of these documents upon the point at issue.

RAMTARAN BANARJI.

The 29th March, 1922.

**A note on the question of the imposition of a police rate in Calcutta by
C. C. Chatterjee, Deputy Chairman, Corporation of Calcutta.**

Introductory.—The Calcutta Police Rate Committee, at the instance of the representatives of the Corporation on it, have asked me to submit a note with special reference to the equity of the imposition of a police rate in Calcutta to meet the cost of the city police. When this suggestion was made, I made it clear that, if I had to submit such a note, it would only embody facts

as gathered and understood by me, and would express my personal views alone, and that they should not be taken as the views of the Corporation and would not be binding on them in any way. I reiterate this point, so as to obviate any misconception. I have already, at the request of the Chairman of the Corporation, submitted a note before that committee embodying my views on the financial position of the Corporation, and I have also given evidence before the committee on the same subject. I have endeavoured therein to show that the financial position of the Corporation is such, and is likely to continue for an indefinite length of time to be such, that it would not be possible to bear any portion of the cost of the Calcutta police from the revenues of the Corporation, even if the rates were pitched up to the maximum limit leviable under the Calcutta Municipal Act.

Final orders of the Government of India with regard to the imposition of the police rate in Calcutta.—The whole question of the liability of the citizens of Calcutta to contribute towards the maintenance of the police is, as has been pointed out by the Hon'ble Sir Henry Wheeler, a very old one. As a matter of fact, the Justices and their successors (the Corporation of Calcutta) have consistently maintained that the city should not be made liable, and could not with any justification be called upon to contribute towards the cost of the police. It appears also that in this endeavour of the Justices, and subsequently of the Corporation, the whole city and the public associations have been with them.

The Hon'ble Sir Henry Wheeler, in his speech in connection with the resolution brought forward by Mr. A. C. Dutt on the subject in the Bengal Legislative Council, explained the salient features of the early history of the police rate in Calcutta. In doing so, the Hon'ble Sir Henry Wheeler ended by quoting an extract from the Government of India's letter dated the 2nd August 1889. His quotation is as follows:—"If a rate has at any time to be levied in the new municipality for any police purpose, the Governor-General in Council is of opinion that it must be levied as a police rate, and it will be understood. . . . that the Government is free at any time to initiate legislation for the levy of such a rate. This understanding. . . . is in no way dependent upon the Government contribution to the Calcutta municipality in aid of charges for the city police becoming superfluous." He stated that, although Government at that time assumed the liability, they definitely safeguarded themselves from any inference that they had done so for all time. I will endeavour to show from the records of Government, so far as I have had access to them, that Government have practically waived the safeguard referred to by him.

The Hon'ble Sir Henry Wheeler quoted from the correspondence of 1889, but in paragraph 3 of India's letter (Home Department) No. 27 of the 27th March, 1890, to the Government of Bengal, the following orders were communicated. I reproduce below nearly the whole of paragraph 3 of this letter:—"It is necessary, in the opinion of the Government of India, to consider this question from three points of views, namely, with reference to the relation of:—(1) the Bengal Government to the Calcutta municipality, (2) the Government of India to the Bengal Government, (3) both Governments to the general tax-payer, a relation which imposes on them the duty of seeing that the municipal tax-payer is not relieved at the cost of the general tax-payer. In the case under consideration, points (1) and (3) must be taken together. It is undeniable that, in introducing the bill (Calcutta Municipal Bill of 1888), an undertaking was given that "the contribution now paid by the town and suburbs to the police" should be surrendered. It must therefore be admitted that, as between the Bengal Government and the municipality, the contention of the Chairman of the Corporation is valid. The Government of India can only intervene in the arrangements made between the Local Government and the municipality in the interests of the general tax-payer, and the correspondence of March and May 1888 was conducted, so far as it affected the relief given to the municipality, from this standpoint. *As regards the relation between the Bengal Government and the Corporation, I am to observe that, in the absence of any such extraordinary*

contingency as may compel it to do so, the Government of India has no intention of imposing a police rate, so long as it is satisfied that the two conditions laid down are fulfilled, namely, (1), that the relief given will be devoted to works of sanitation, and (2), that it will not be diverted to the reduction of municipal taxation."

It will be seen, therefore, from the above extract, in which the italics are mine, that the Government of India unequivocally declared that it had no intention of re-imposing the police rate, so long as it was satisfied that the two conditions laid down in that paragraph were fulfilled. These orders of the Government of India practically laid at rest once for all the question of the re-imposition of the police rate in Calcutta. I shall show in the following paragraphs that these two conditions have been more than fulfilled.

In his letter No. 6237, dated the 22nd December, 1891, Sir Henry Harrison reported to the Government of Bengal that the expenditure on sanitary improvements within the area added to the city in the course of the two years 1889-90 and 1890-91 was Rs. 15,41,256 in excess of the income derived from that area. He further drew attention to the fact that the drainage of that area, (since completed), was estimated to cost no less a sum than Rs. 1³ crores.

For ten years from 1889, when the amalgamation came into effect, that is, so long as the Act of 1888 was in force, the Corporation was, so to say, in a transition stage, having had its energies and resources entirely devoted to the discharge of its newly assumed heavy responsibility, viz., the improvement and development of the suburbs just added to it. But, since 1899-1900, the efforts made during the decade prior to that period began to bear fruit, and the revenues of the city commenced to rapidly improve. The following figures will bear eloquent testimony to this fact. The rateable valuation of the city in 1890-91, that is to say, immediately following the relief granted by the Government to the Corporation in the matter of the police charges was Rs. 1,82,00,000, and in 1900-01, that is to say, after the passing of the Act of 1899, it was Rs. 2,24,00,000; while in 1920-21 it rose up to Rs. 5,38,00,000. Similarly, the rates (consolidated) amounted to Rs. 24³/₄ lakhs in 1890-91, the corresponding figure was Rs. 50 lakhs in 1900-01, while in 1920-21 it was one crore.

While the outstanding loans of the Corporation in 1889-90 was Rs. 1,87,69,810, the outstanding loans in 1920-21 amounted to Rs. 3,05,39,700, and to-day the amount is about Rs. 5¹/₂ crores. These debts I need hardly say were incurred for the development of the city and for the improvement of its sanitation. The block account of the Corporation shows that its block is valued now at over Rs. 10 crores, and I think I may say without much hesitation that the bulk of this block has been brought into existence since the police charge fetters were removed, and includes primarily works connected with drainage, water-supply, public health and convenience. These facts and figures abundantly prove that the Corporation of Calcutta have more than fulfilled the conditions laid down by the Government of India in 1890 in connection with the relief given to them from the liability for the police charges. In fact, the utmost expectations of the Government of India in this matter have been surpassed. In these circumstances it is not understood how the matter can be re-opened at all.

Declared policy of the Government of India in regard to the recovery of police charges from the municipality.—The first document deserving attention in connection with this question is the memorable resolution of the 1st October 1881 on local self-government by Lord Ripon's Government. The portion of that resolution bearing on the question of the police charges is worth quoting in connection with this discussion, and I reproduce it below :—
“ His Excellency in Council observes that, at present, the total amount spent on police by municipalities in British India amounts to about 27¹/₂ lakhs of rupees. The only function which the municipalities discharge in regard to police is the provision of funds for the purpose of meeting the whole or a portion of the cost of the municipal police force. They practically exercise no control over the police and cannot, therefore, be expected to take any special

interest in the efficiency of the force, or to look with sympathy on the provision of the law which treats them as a machinery for raising taxes to be spent on a department over which they have no control, and in the efficient and economical expenditure of which they have but little direct interest and no immediate responsibility. *The Governor-General in Council would therefore be glad to see municipal bodies relieved altogether of the charge for police, and an equal amount of expenditure on education, medical charity, and, if possible, public works of local interest being transferred to them, with as full control as may be practically expedient over the details of such expenditure.*"

While reviewing the recommendations of the Royal Commission on Decentralisation, the Government of India issued a comprehensive resolution dated April 28th, 1915, which was headed—"Local Self-Government Policy of the Government of India". In surveying the progress made up to that time in the domain of local self-government, Government in this resolution drew prominent attention to the progress made up to the date of its issue. In paragraph 18, dealing with subventions by Government, the Government of India drew pointed attention to the fact *that municipal boards had been relieved of all charges for the maintenance of police within municipal limits*. Evidently they viewed this achievement with very great satisfaction and approbation, and recognised it as a measure in the right direction. Comprehensive as this resolution was, there was no indication in it of any idea of ever calling upon the municipalities to assume the liability to contribute towards the cost of the police. Had they entertained even any remote intention in this direction, the Government of India would surely have hinted it in this resolution. On the other hand, the fact that, among the notable lines in which Government concessions and subventions had been granted, the relief granted by Government to all municipalities in the matter of police was mentioned so prominently as to unmistakeably go to show that the Government of India never contemplated the idea of withdrawing such a valuable relief.

The next and the latest stage is Resolution No. 41 of the Government of India, Department of Education, dated the 16th May 1918. This resolution not only ratified and reaffirmed the views expressed by the Government of India in 1915, but further laid down, with the authority and concurrence of the Secretary of State for India, a scheme for the expansion of local self-government suited to the altered circumstances of the time, and definitely declared that they (the Government of India) wished all Local Governments to move in the direction of *more complete* local self-government. They further stated that they expected that substantial advance should be made on the lines laid down, and expressed a belief that Local Governments were also anxious to adopt a forward policy in general conformity with the wishes of the Government of India. In para. 14 of this resolution the Government of India fully endorsed the recommendation of the Decentralisation Commission that the system of requiring local bodies to devote fixed portions of their revenues to particular objects of expenditure should be done away with as unduly limiting their freedom of action. The most vital principle laid down, however, and which is of the utmost importance to the question at issue now, is contained in para. 12 of that resolution. They (the Government of India) emphatically declared that *charges should be remitted in cases where a local body contributed to Government for services inherent in the duty of supervision and control by Government officers or services which could not expediently be performed except by Government agency*. Manifestly the Government of India, in laying down this policy, had such charges as the cost of the police in mind.

Nor is this all. Further on, the Government of India laid down another important principle relevant to the present question, namely that, if local bodies have to raise funds for any particular object, they should have control of those funds. I may state that this resolution was issued after the announcement in the House of Commons and in the Imperial Legislative Council of the policy of the British Government about the progressive realisation of responsible Government in India, and, in fact, this resolution and the one that preceded it in 1915 can justly be regarded as the Magna Charta of local self-government in India.

In these circumstances, it should be perfectly and unmistakeably clear that the question of the re-imposition of the police rate in Calcutta for the maintenance of the Calcutta police cannot be re-opened, for to do so would be to completely upset and reverse the whole of the very latest policy of the Government of India and of their bold and emphatic declarations as contained in the resolutions of 1915 and 1918.

Analogy of London and comparison with the European police system.—

The Hon'ble Sir Henry Wheeler has quoted from a handbook of European police systems the following passage:—" In all capitals and large commercial centres the police are under the control of the state rather than that of the city." This is true, but I quote from the same handbook the following passage:—" The relation of the police force of London to other governmental agencies is unique. In all other cities of size and importance of Great Britain local control through popularly elected town councils is the characteristic feature. London alone has a royal police force whose head is appointed by the Crown, and whose policy is determined by a cabinet minister, the Secretary of State for Home Affairs. Further on, with reference to the City of London police the same writer says:—" The City of London police, occupying an area of one square mile practically in the centre of the metropolitan district, is under the direct and exclusive control of the Corporation of the City of London. The peculiar status of the metropolitan police force is usually justified by its broad functions. It protects the person of the Sovereign, watches the Government dockyards, guards the royal institutions and buildings in London, and fulfils other duties of national *rather than merely local importance*. The sentiment in favour of popular control of local affairs is nevertheless a distinct phase of the rising tide of English democracy, and suggestions are constantly being made, in an inchoate and indefinite form to be sure, looking to the transfer of the metropolitan police from the Home Secretary's office to the jurisdiction of some popularly elected body." Further on, writing on the point of placing the metropolitan police force under the control of the London County Council, the writer observes as follows:—" The metropolitan police district is more than five times the size of the County of London. There would be four other county councils and a great number of borough councils to be taken into consideration. Even if a representative agency of control were created, it would be difficult to reconcile the conflicting claims of the various county and borough authorities over whose districts the metropolitan police have jurisdiction."

There can be no comparison between the Calcutta police and the London metropolitan police; while the area of Calcutta is only about 18 sq. miles, the jurisdiction of the metropolitan police extends over an area of 700 sq. miles. There are various other circumstances for which the London metropolitan police stands unique and bears no comparison with the Calcutta police. Further, the circumstances which are applicable to the London metropolitan police are not by any means applicable to the Calcutta police, which is comparable only with the police of such provincial cities as Birmingham, Liverpool, Glasgow, etc.

A comparison of the Calcutta police with the police of the continental cities is also hardly justifiable, inasmuch as it is well known that the municipalities of the big continental cities are practically more or less departments of the state.

There is another important factor connected with the relation of the metropolitan police force to the London County Council which is to be borne in mind. I quote below the following paragraphs from one of the latest reports of the London County Council:—"The Council has for many years had before it the question of the inadequacy of the exchequer grant, *i.e.*, the contributions from the national exchequer in aid of expenditure incurred by local authorities in respect of services administered by them, the cost of which falls primarily on the local rates. Full information as to the financial relations between the Council and the Government is contained in a report by the Comptroller of the Council, published in 1913. While it is impossible to deal fully in this report with a matter of such magnitude and complexity, it may be stated that there has.

in the last few years, been a substantial increase in the amount of such exchequer grants. The amount of the grants received by London local authorities for the year 1913-14 (excluding grants from the road improvement fund, which are in respect of capital expenditure) was £3,003,641. The corresponding figure for the year 1917-18 was £3,784,938. The latter year is the latest for which complete figures are available, but it is estimated that the grants for 1919-20 will amount to £6,650,000. The latter figure is exclusive of the grants for road improvements, in respect of which sums amounting to £939,000 have been allocated to metropolitan borough councils since December, 1918. The greater part of the increase is due to the adoption by the Government, in the case of the important services of education and police, of the principle of half the cost being borne by the exchequer, and to arrangements being made under which these grants are paid, as far as practicable, concurrently with the local expenditure. The effect of their adoption is that, although there has been a great increase in the cost of these services, (largely brought about by war conditions), the amount borne by the exchequer has increased in a greater ratio than the amount borne by the rates. The principle of a grant of half the cost has also been applied in the case of new services, which have become the subjects of exchequer grants.

Another feature of the last few years is the considerable addition to the number of services aided by direct grants, rather than by means of assigned revenues. Before 1913-14, education was almost the only service aided by the exchequer otherwise than through assigned revenues, but direct grants are now made in respect of the undermentioned new services, treatment of tuberculosis, mental deficiency, diagnosis and treatment of venereal diseases, and maternity and child-welfare schemes. The institution of exchequer grants for these services marks the increasing recognition of public health as a semi-national service.

It will be seen that the Government in England generously contributes from its funds towards the services of the city, and that it has adopted the principle of half the cost being borne by the exchequer for the improvement of education and police, in addition to substantial grants for various other city services. The Corporation of Calcutta does not however receive any contribution from the Government worth the name.

Other arguments against the imposition of police rate in Calcutta.—I have already referred to the principles laid down by the Government of India in their resolution of 1918, with reference to the control and the body in whom the control should rest. The Government of India have, as a matter of fact, adopted the principle that, if the local authority pays for the piper, it has a right to call the tune, and there is no going back on this principle.

Sir Henry Wheeler, in explaining to the Council what the position was with reference to the distribution of control over the police, stated that the precedents of other countries supported the theory that the cost of the police should be, at any rate in part, a local charge, but that the complete municipalisation of the police was not supported by experience of other countries. The fundamental point is that, if the Corporation of Calcutta should for all time accept the liability of bearing the charges of the Calcutta police, it should also have the control of the Calcutta police. If it cannot be given such control, then, in accordance with the principle laid down by the Government of India in 1918, namely, that services which could not expediently be performed except by Government agency should not be charged against any local authority, it should not be called upon to accept the liability.

It is pertinent to ask the question as to whether the mufassal municipalities, who have also been relieved of the cost of police, will be called upon by the Bengal Legislative Council to contribute towards the cost of the police of those cities. As far as I am aware, at present nowhere in India is the cost of the police borne by any municipality.

If the cost of the Calcutta police should no longer form a charge upon the revenues of Bengal, it is but right that the cost of the Bengal police should

not as well form a charge upon Calcutta, and on that principle all the revenues obtained from Calcutta should be set apart for expenditure for purposes of Calcutta alone. It is certainly undeniable that the bulk of the revenues of Bengal, with the exception of that from land revenue, is derived from Calcutta. In this connection, by Calcutta one does not understand only the area within the jurisdiction of the Calcutta Corporation but greater Calcutta, as understood in the census report, is meant.

Calcutta is practically the only city of importance in Bengal, and, as such, the whole of Bengal is interested in Calcutta, inasmuch as it is not only the capital of Bengal, but it is the centre of trade and commerce and manufactures for the whole of Bengal. In fact, the prosperity and safety of Bengal is dependent upon the prosperity and safety of Calcutta. The interests of the mufassal, therefore, are not distinguishable from the interests of Calcutta. Surely the city of Calcutta will not grumble if the Calcutta police are merged into the Bengal police, provided of course that the vast interests of Calcutta do not suffer thereby.

If it is urged that the expenditure in connection with the city police of Calcutta should be borne by the citizens of Calcutta, it may just as well be argued that the expenditure in connection with Government departments in Calcutta, the University of Calcutta, the hospitals and all other public institutions of Calcutta, which are financed from Government revenues, should be borne by the citizens of Calcutta.

The effect of the imposition of a higher rate in Calcutta, specially an additional police rate, will obviously materially re-act on the prices of commodities in the mufassal, specially in the prices of such commodities as are imported from Calcutta into the mufassal. Tradesmen and merchants and manufacturing people in Calcutta will certainly recoup this extra taxation by raising their prices.

The sequel of the imposition of a police rate in Calcutta will be a complete set back to the development programme of the city. If one compares the progress made in the development of the city and its structural improvement in the period when the police rate was in force and the period subsequent to the removal of the police rate respectively, one will be struck with the results achieved. It is impossible to enumerate all these details in this note. But if one who was in Calcutta prior to 1889 and has not visited it since, visits it now, he will hardly be able to recognise it at all. In fact there has been a complete transformation during this period.

It is important, therefore, to bear in mind the fact that the nucleus of the funds for the structural improvement of the city lay in the money generously set free by the Government of Bengal and the Government of India of the late eighties, and that this small beginning enabled the Corporation to devote large and larger funds gradually, (larger even than what the police charges would have amounted to), to the steady development of the amenities, comforts, conveniences, and to the sanitation, conservancy and other civic improvements of the city. The immunity and freedom from the above burden served to enable the civic authorities of Calcutta to convert what was regarded as an unhealthy spot into a modern healthy city, which has worthily earned the epithet given to it by the senior member of the royal family, *viz.*, "London in the East". Although much has been done to improve, develop and beautify the city of Calcutta, a great deal remains to be done, and the present list of very important works waiting to be taken in hand is formidable, and some of them of extreme urgency. The then eminent rulers of the province, such as Sir Ashley Eden, Sir Rivers Thompson and Sir Stuart Bayley, appear to have had complete confidence in the citizens of Calcutta, and in their willingness and capacity to devote their utmost resources to the structural and sanitary improvement of the city, and, with the foresight that they possessed, they persistently fought hard to get the city relieved of the handicap which it had in the shape of liability for the police charges. In the circumstances, it is a somewhat strange irony that a reformed Government, more than three decades later, should endeavour to restore the fetters on to the legs of the Corporation.

Turning now to the comparison of the incidence of taxation between Calcutta and mufassal municipalities, we find that, while in Calcutta the incidence of taxation per head of population is Rs. 20 per annum, it is only Rs. 3 per head per annum in the whole of the mufassal municipal area.

Already the load on the people of Calcutta is heavy enough in all conscience and they cannot by any means be expected to support a heavier burden. But, as I have shown in my note on the financial position of the Corporation, there is an immediate prospect of the load of municipal taxation being made still heavier. The imposition of an additional police rate will be a measure which is sure to give rise to intense dissatisfaction. It will create serious dismay and discontent, and might, I fear, be attended with most untoward consequences.

The city services are already costing considerably more than only a decade ago, and, although the value of money has depreciated materially, the demand for better and more efficient services in Calcutta is growing apace, not only because the citizens are gradually getting more and more exacting as a result of the expansion of education, but also because the Corporation too have, in keeping with the times, set before themselves the task of the attainment of a continuously progressive standard of comfort and amenities. The success they have achieved in this direction is demonstrated beyond doubt in various ways and extorts the admiration of all from the highest to the lowest. The great demand for land in Calcutta for residential purposes by the emigration of people from the malaria-ridden mufassal of Bengal and the consequent immense rise in land values, is proof positive of this success. Moreover, the maintenance of the amenities which are being gradually extended by the Improvement Trust, as well as by the Corporation, necessarily makes greater inroads on the purse of the Corporation. The needs of administration, the security of the outstanding loans and the provision for the service of the existing loans, the necessity for the maintenance of a borrowing capacity for fresh loans, the liability for the contribution to the Improvement Trust, the increasing cost of materials and labour, are responsible for the continuous rise in expenditure, and the forward pace is getting faster and swifter every day.

Already burdened and saddled as they are with the liability for the heavy contribution towards the Trust operations, the Corporation cannot afford to bear the burden of another heavy recurring contribution for any extraneous service, not to speak of the contribution towards the cost of the police.

The general effect of the imposition of a police rate in Calcutta would be not only to set back the hands of the clock of progress in the city, but to heighten the severity of the struggle for a living. It would only accentuate the tendency of the lower classes of people to migrate out of the city into the suburbs, as the census figures clearly show, and perhaps ultimately the whole population of Calcutta will be taxed out of it.

An impression seems to exist in certain quarters that the city of Calcutta escapes with a light taxation as compared with the cities in England. It is, however, not remembered that there can be no comparison or parallel between the lavish expenditure incurred by the wealthy population of the United Kingdom for their civic comforts and the capacity of the poor and struggling population by whom Calcutta is to a large extent inhabited. In fact, there is no possibility of an analogy between the financial conditions of the prosperous manufacturing cities of England and those of India. Most of the big cities in England, such as Birmingham, Manchester, Sheffield, Leeds, etc., are very rich in real and personal property. Their standards of civic comforts are also correspondingly very high. Municipal services in the United Kingdom comprise various features of municipal enterprise, and include services completely outside the range of ordinary municipal affairs. But these are regarded as necessary by the general public there, as they add to the popularity and amenities of the cities. These extra services comprise undertakings and services as diverse as docks, dairies, race courses, medicated baths,

cinemas, telephones, and various forms of recreations, sports and entertainments. There are also commercial libraries and museums, asylums, poor houses, and in fact all sorts of things, including such items as rifle ranges, model yacht clubs and swimming baths, golf courses, etc. It is obvious, therefore, that, with undertakings such as these, there can be no analogy between the rates imposed in English cities and in Calcutta.

There is also a somewhat misleading impression that 19½ per cent. is the maximum rate that is imposed on the people of Calcutta, but, as a matter of fact, although at present 19½ per cent. rate is levied on real properties, and it is inevitable that it would be raised to 23 per cent. in a year or two, yet the total revenue receipts of the Corporation represent an incidence of a taxation equivalent to about 30 per cent. on the rateable valuation. This is not a figure to be despised. The total rates of all kinds levied centrally as well as locally in London in 1917-18 (*Vide* London Statistics, Vol. 26, 1915-20, published in 1921) was 88·5 pence in the pound, or an equivalent of 36 per cent. on the statutory assessable value. They include rates levied by the London County Council (*i*) for county services, and (*ii*) for local services, as well as rates levied locally by the City Corporation and the metropolitan borough councils and also by the guardians of the poor. They include also the Metropolitan Asylums Board common charges, metropolitan police rate, metropolitan water board rate, equalisation funds, and common poor fund. Besides these, the imperial subventions, to which I have already referred, represent a very substantial amount.

There is no wonder then that Calcutta should be regarded as one of the most expensive cities to live in in the world. A well-known lady writer, who writes articles headed "London in the East" in the *Statesman*, in an article which appeared in that paper on the 5th March, 1922, says that "Calcutta is the most expensive city that she has ever lived in." I quote here what she says further:—"I gather that the extreme cost of living in Calcutta is engaging public attention. I have even wondered why the whole European community has not risen up in revolution against this long ago." If such is the view of the cost of living in Calcutta held by the rich European community, it may be easily imagined what the Indian community think of it. Moreover, the recent imposition by the Local Government of a tax on amusements and the increase in stamp duties and court-fees, etc., will fall materially on the shoulders of the people of Calcutta. These, and over and above them, the measures about to be taken by the Government of India for the increase of their revenues, will further enhance the cost of living in Calcutta.

Even in England there is a great clamour for reduction of the rates, and a Royal Commission was appointed by Parliament in August 1921 to enquire into and effect reforms in the London local government, especially in the matter of rating and assessment. That Royal Commission has not, as far as I know, finished its labours.

In Calcutta, nearly the whole field of local taxation has already been tapped and encroached upon by Government, and the Corporation have hardly any avenues left to them to materially increase their revenues by indirect means.

I have endeavoured to show in this note that not only will the reimposition of a police rate in Calcutta go against the clear, definite and irrevocable assurances and declarations of the Government of India, but that it will also be inequitable and inexpedient from all points of view, and will be tantamount to a breach of faith and violation of all previous pledges. I therefore venture to submit that, in the circumstances, the Government of Bengal cannot rid themselves of the liability to maintain a service which is essentially necessary, not only for the security of life and property, but also for the maintenance of peace and order.

C. C. CHATTERJEE,

Deputy Chairman, Corporation of Calcutta.

The 15th March, 1922.

Separate note by Rai Radha Churn Pal Bahadur.

I sign the report as it only sets out two opposing views, but I would like to lay stress on some points against the imposition of a police rate in Calcutta.

(1) In the historical retrospect contained in paras. V and VI of the report, there is no reference to the later correspondence of 1890 between the Corporation, the Government of Bengal and the Government of India. The Government of India having held that the Corporation were bound to provide the requisite funds for structural and other improvements in the suburbs, whether a police rate was imposed or not, the Corporation submitted a protest in January 1890, in which they recorded at length the reasons why, as trustees for the revenues of Calcutta, it would not be right for them to contract any debt for the improvement of the area added to Calcutta, if the reimposition of the police rate was contemplated. In the course of his letter, Sir Henry Harrison stated as follows:—"It was not expected that the Government would bind its successors for all time never to reimpose a police rate in Calcutta. Moreover, the Government seems to promise that the relief from the police rate shall be given, as long as the continuance of the expenditure is required and continues to be incurred and the rate-payers of Calcutta ask for nothing more. But the subsequent letters seem to indicate that the Government of India contemplates the reimposition of the police rate at no very distant date as within the sphere of practical politics. If so, there is no doubt that this is a wide departure from the impression generally entertained of the intentions of the Government, as expressed in the legislative measure which gave effect to the amalgamation. *The police rate was given up by Government to the rate-payers of the town for an indefinite period, distinctively as an equivalent for the new burden simultaneously imposed upon them.* In the spirit of the orders of the 24th March 1888, the Commissioners may fairly ask to be guaranteed against any reimposition of the police rate, as long as the funds which have been made available to them by the remission of the rate are employed in paying the interest of any loan, (other than a water works loan), contracted for the improvement of the added area."

This protest was submitted, with the support of the Government of Bengal to the Government of India, who replied as follows:—"It is undeniable that, in introducing the bill, an undertaking was given that the contribution now paid by the town and suburbs to the police should be surrendered. It must therefore be admitted that, as between the Bengal Government and the municipality, the contention of the *Chairman of the Corporation is valid.* In the absence of any such extraordinary contingency as may compel it to do so, the Government of India has no intention of imposing a police rate, as long as it is satisfied that the two conditions laid down are fulfilled, viz. (1) that the relief given will be devoted to works of sanitation, and (2) that it will not be diverted to the reduction of municipal taxation."

I make no apology for quoting the above extracts, which point to a totally different conclusion from that enunciated by Sir Henry Wheeler in the Council in his speech on this question, and that set out in the report, viz., that it was made clear in the correspondence that the time might come when the city would again be called upon to levy a police rate. I maintain, on the contrary, that, provided (1) that no extraordinary contingencies arise, (2) that the relief is devoted to works of sanitation, and (3) that it will not be diverted to the reduction of municipal taxation, Government are absolutely precluded from raising this question at all. The Corporation have incurred an expenditure of Rs. 114 lakhs on the suburban drainage and the fringe area drainage schemes. The interest and loan charges on these schemes alone absorb more than the relief afforded to the city by the withdrawal of the police charges, not to speak of other projects carried out, in progress, or in contemplation, for the improvement of the added area. A scheme for the drainage of the area reserved for offensive trades in wards 19 and 20, estimated to cost about Rs. 2½ crores, is under consideration. I contend that it would be a breach of faith on the part of Government, after having made the Corporation incur all this expenditure for the improvement of the added area under a guarantee of the continuance of the relief from the police rate, if this charge is now imposed on the city.

(2) The second point I would urge is that the considerations which led to the withdrawal of the police charges apply with greater force to-day. Sir Surendra Nath Banerjee, in moving a resolution for submitting a memorial to Government to relieve the city of police charges, remarked in the course of his speech in the Corporation as follows:—Government directed that all municipalities should be relieved of police expenditure on the principle that, where there was no control, there should be no charge. The Calcutta municipality formed the only exception to which the resolution of the Government of India had not been made applicable, and they had strong grounds for their prayer. The burden of taxation had been increased in Calcutta from year to year, and the responsibilities of the Corporation were widening from year to year. A vast field of sanitary improvement was before it, and to prove themselves equal to the task, the Commissioners must increase the burden of taxation. Therefore, if Government wanted that the Commissioners should prove themselves fully equal to the responsibility that had been cast upon them, they should relieve the municipality of this important item of expenditure over which they had absolutely no control. Calcutta had not, as Bombay had, its octroi duties or excise tax; therefore they were in a position to make out a very strong case why, on the present occasion, when the project for the water supply extension was before them, they should be relieved. These words were uttered in December 1883, and are so apposite to-day. To quote the words of the Hon'ble Kristo Das Pal, who followed in the debate, "sanitation of the town is the primary requirement of the municipality, and whatever funds the municipality can get or spare ought to be assiduously applied to that object." This is as true to-day as in 1883. The Corporation have already embarked upon a scheme costing over Rs. 2½ crores for the improvement of the water supply, and are faced with the problem of providing another drainage outfall. Apart from the water supply scheme, projects estimated to cost Rs. 7 crores are awaiting execution. The provision of funds for primary education is only one of the secondary duties of the Corporation, and the section in the Calcutta Municipal Act was inserted only with a view to enable the Corporation to continue the grants which the suburban municipality had been making to schools in the added area. Notwithstanding this fact, the Corporation have assumed responsibility for the extension and improvement of primary education in Calcutta, and have agreed to bear the entire recurring cost, which, even on a most conservative basis, is estimated to amount to Rs. 4½ lakhs a year. The Corporation have also agreed to take over the veterinary work in Calcutta and the suburbs. It is needless to add that every additional obligation undertaken by the Corporation means a corresponding relief to the provincial exchequer.

(3) The resources of the Corporation are limited, and will soon be exhausted in financing the water supply scheme. They have no extraneous sources of income, such as the Bombay Corporation have in tobacco duty, fees for sale of liquor licenses and octroi duty, which amount to Rs. 24 lakhs. As was pointed out by Sir Henry Harrison, though Calcutta is a large commercial city, the railways, canals and rivers which minister to its trade are for the most part outside its limits, and, even so far as they are within its limits, they are exempt from the ordinary systems of rating. A constantly growing portion of its wealth is invested in machinery, but, by an express provision of the law, machinery is exempt from taxation. The law provides for the imposition of a tax on petroleum, but this provision has remained a dead letter, as petroleum is subject to imperial taxation, and the understanding with the Government is that it should not be subject to a municipal levy, so long as it is subject to an imperial customs duty. If Government rescind from the undertaking in regard to the police rate, the corresponding obligation not to tax petroleum for municipal purposes will, I need hardly say, disappear. Almost the whole of the tax recently imposed on amusements and betting, amounting to Rs. 30 lakhs, is contributed by the city for the relief of provincial finance as a whole. A considerable portion of the income tax receipts and stamp revenue is derived from the city.

(4) The next point is the question of control if the city is made to contribute towards the cost of its police. On this point the Hon'ble Kristo Das

Pal observed in 1883, " When the police tax was first imposed upon Calcutta, there was some semblance of power granted to the municipality; the police budget was considered by the Corporation, as the law provided; the expenditure on police could be reduced or increased at the discretion of the Corporation, but a subsequent Act circumscribed the power of the Justices and the Commissioners became merely tax-collectors. They had the odious task of collecting the money and making it over to the Commissioner of Police, without having any voice in the administration of it. The Government of India, in conceiving the scheme of local self-government, saw the injustice of imposing the duty of levying the tax on the municipality without giving to the Corporation proper control over the police. The taxation which was continued to be levied in Calcutta was grossly unjust. If the people were to be taxed, they ought to be allowed some voice in the administration of the taxes they paid." The British Indian Association submitted a public representation on the subject. The Chairman of the Corporation, however, was also the Commissioner of Police in those days, and could not, in framing the police budget, be unmindful of the situation and difficulties of the Corporation, but even this was not the case later. The underlying idea in the resolution of 1881, under which municipalities were relieved of police expenditure was that, where there was no control, there should be no charge, and the development of local self-government has proceeded on this fundamental principle. In their resolution of 1918 the Government of India reiterated the principle that, if local bodies have to raise funds for any particular object, they should have control of those funds. Are the Government of Bengal and the protagonists of the theory of the transfer of the cost of the city police to Calcutta prepared to surrender the control over the police to the people of the city?

(5) It is stated in the report that one half of the cost of the Calcutta police is local in character. In my view, the proportion is too high, and it is only the police kept for watch and ward which may be said to be purely local. Whatever the exact proportion might be, if the expenditure is to be divided, the receipts should also be divided. The receipts from the Public Vehicles Department and the fines levied in police cases in Calcutta, less the cost of the maintenance of the police courts, belong almost wholly to the city.

(6) Another circumstance which has been overlooked is that Calcutta consists of a very large floating population, who enjoy the protection of the city police and the amenities of city life without any direct contribution. Therefore a good portion of the cost of the city police must be borne by people outside the city.

Having regard to all these facts and to the past pledges of Government, the city's contribution to the imperial and provincial exchequer and its own commitments and needs, I hold that the city has an incontestable right to continued immunity from the police charge.

RADHA CHURN PAL.

The 1st May 1922.

Separate note by Mr. A. C. Dutt.

I am in favour of the imposition of a police rate in Calcutta for the considerations set forth in paragraph XIV of this report. It is hardly necessary to elaborate the reasons mentioned therein, which to my mind conclusively prove that it is not only possible, but it is also very desirable, that a police rate should be imposed in Calcutta, but I cannot refrain from offering some comment upon the principal considerations which have led three members of the Committee to adopt the view that a police rate is undesirable.

It is urged by them that " the analogy of European cities cannot justly be applied to the case of Calcutta, which should be considered strictly with reference to its own conditions and on its own merits." I regret I cannot attach much weight to the argument. A casual reference to the literature on European police systems will show that the cost of the police in metropolitan towns is defrayed either wholly or partially from a police rate. Of all towns

in India Calcutta most closely resembles an European town, and, in point of wealth, it is only inferior to some of the very largest European towns. I have not been able to understand in what respects the conditions in Calcutta are different from those in European towns, so as to justify its exemption from the operation of a principle which has found universal acceptance in civilized states.

Another argument in favour of exemption is stated in the following terms :—“ The inhabitants of Calcutta contribute per head a disproportionately large amount to the imperial and provincial revenues, as compared with the inhabitants of the rest of Bengal. To take two instances of this only, in income tax Calcutta and the suburbs paid in the financial year 1920-21 to the central revenues twelve times as much as the rest of Bengal; in excise dues Calcutta and the suburbs contributed to the provincial revenues in the same year Rs. 66,68,449, while the rest of Bengal contributed not more than Rs. 1,29,64,868”. It is somewhat difficult to understand the principle, if there is any, underlying this argument. It is stated that Calcutta contributes in taxes more than its proper share to the imperial and provincial revenues. May I ask the question how we are to determine what is its proper share? What test is it suggested should be applied for the purpose? The contribution of Calcutta is more than that of the rest of Bengal; can we from this solitary fact arrive at the conclusion that Calcutta is paying more than its proper share, and lay down an inflexible rule to the effect that on no account should a further tax be laid on the city? Surely a legislator who is about to impose a tax should take into account the paying capacity of the people who are to pay the tax? This is a principle of the very first importance. The large contribution made by Calcutta under the heads of income tax and excise is indicative of the wealth of the city, and furnishes a fairly accurate test of the paying capacity of its residents and inhabitants. Bengal maintains the district executive force at a cost of Rs. 1,33,58,000, besides paying Rs. 56,00,000 in chankidari tax. If Calcutta is as rich as Bengal, surely it ought to be made to pay for its own police.

It is further stated that “ there is a strong feeling among the people of Calcutta against contribution by local rate, unless the tax-payers are given a substantial voice in the control of the police, and this concession apparently Government are not prepared to make”. I am aware that this feeling exists amongst the Commissioners of the Calcutta Corporation. If they will only refer to the literature on European police systems, they will find that the control of a police force is not invariably vested in those who pay for its maintenance. The metropolitan police in England is an instance in point. There exists, however, in certain countries in Europe a strong feeling in favour of the principle of popular control. The feeling is gaining ground. India is marching towards democracy, and there is no reason why in course of time the principle of popular control should not be applied in the case of the Calcutta police, but for obvious reasons this cannot be done immediately. To my mind the best way to establish a claim of popular control over the Calcutta police is by beginning to pay for its maintenance.

I am well aware of the financial difficulties under which the Calcutta Corporation is labouring. I quite realize that it may be necessary within the next five or six years to raise the consolidated rate from 19½ to 23 per cent. in order to meet the expenses involved in the schemes for the improvement of the water supply and the reconstruction of the drainage outfall of the city. But is this any reason why a police rate should not be imposed in Calcutta? A rate of one per cent. at the present time yields Rs. 6,00,000, and consequently an additional rate of two per cent. is all that will be necessary for the maintenance of the police within the municipal area. The new municipal bill has been introduced in the Bengal Legislative Council. If necessary, the statutory limit of 23 per cent. may be raised to 25 per cent. to provide for the cost of the police. This will not impose a heavy burden on the Calcutta landlord, who is to-day twice as wealthy as he was six or seven years ago. For it must be remembered that, during recent years, the price of land and house property in Calcutta has increased enormously, and that the earnings of the average landlord to-day are at least double what they were in 1916 and 1917.

There are other methods of assisting the Calcutta Corporation in its financial difficulty, besides the one already suggested. The Bengal Government are at liberty to impose an octroi or a tax on menials and domestic servants for this purpose. But I feel sure it will not be necessary to tap these sources in order to raise Rs. 12,00,000, which can be easily done by imposing an additional municipal rate of two per cent.

I am therefore strongly in favour of the imposition of a police rate in Calcutta.

AJOY. C. DUTT.

The 3rd April 1922.

APPENDIX A.

Oral evidence of Mr. J. S. Wilson, Deputy Commissioner of Police, Calcutta.

President: In the blue book entitled "A statement of the strength of the police force in Bengal," published by the Bengal Secretariat Press in 1921, the figure of the expenditure on police in the city of Calcutta is given as Rs. 28 lakhs for 1920-21 (revised budget). In your statement* you have given the figure as 35 lakhs. This latter was the figure quoted in the Council in the debate.

Witness: Possibly the figure of 28 lakhs excludes the expenditure on the port police and the areas lying outside the municipality, but even then that would not be right.

President: We will take the expenditure as being 35 lakhs.

Witness: That is the amount we are spending.

President: You agree that a certain amount of the expenditure on the Calcutta police is provincial. In the case of the Criminal Investigation Department and the Special Branch, one half is suggested. On what basis is this division made?

Witness: The cases of crimes committed outside Calcutta are frequently worked up by the Calcutta police.

Mr. Beadel: Is there a provincial C.I.D.?

Witness: Yes, but the Calcutta police have also to do work which is provincial in nature, *e.g.*, watching gangs which enter Calcutta from the province.

President: Take the converse. Is there much crime committed outside Calcutta by criminals who have their headquarters in Calcutta?

Witness: Yes. The taxi-cab dacoities may be given as an instance of this.

President: The latter form of crime is more prevalent than the former?

Witness: Yes.

Mr. Beadel: Are there not one or two Bengal police officers who are working in Calcutta?

Witness: Yes.

Mr. Beadel: To apportion half the cost to the province, then, is perhaps rather too high a proportion?

Witness: That may very well be so. The division is an arbitrary one. It is impossible to make an exact division.

Mr. Dutt: Even apart from provincial crime, the departments would still be necessary for Calcutta?

Witness: Yes.

Mr. Dutt: Would it then be necessary to maintain the departments at their present strength?

Witness: Yes. As an example of the work of these departments, I might instance big commercial cases extending all over India.

President: Then you think that there is a case for attributing more than 50 per cent. to Calcutta under that head?

Witness: Yes.

President: Now may we take items Nos. 9 and 10 of your list,* *viz.*, escorts and orderlies and reserve? What is the reserve for?

Witness: Leave and training of the Calcutta force as a whole.

President: Including for patrols?

Witness: Yes. Item 10 includes the reserve for items 2 to 9 inclusive.

President: Then item 10 should be divided in the proportion in which items 2 to 9 are divided?

Witness: Yes.

President: Item 11 also?

Witness: Yes.

President: Are escorts much used in connection with provincial work?

Witness: Yes. Escorts are provided for money removed from and taken to the Alipore treasury. Prisoners are escorted outside Calcutta.

President: Money from the mint also?

Witness: We strengthen the escorts in the case of money from the mint. We also strengthen guards from the districts as soon as they reach Calcutta.

President: Escorts provided for the mint should be a provincial charge.

Mr. Beadel: An imperial charge rather.

Witness: It is a small charge only.

Mr. Dutt: What proportion, then, is local under this item?

Witness: It is difficult to estimate. Escort outside Calcutta for prisoners is also a minor matter.

President: What about item No. 8, guards?

Witness: These are chiefly guards on Government buildings, including buildings of the Government of India, *e.g.*, Writers' Buildings, Government House, the Military Secretariat.

President: You suggest that this is properly a provincial charge?

Witness: Yes.

Mr. Beadel: Are there not also buildings which might be called "civic"?

Rai Radha Charan Pal Bahadur: For those the Corporation pay; for the burning ghat also.

Mr. Dutt: We would like a list of buildings.

Witness: I will send a list.*

President: Mounted police, item 7, you suggest is local?

Witness: Yes.

President: They are used for dealing with crowds and for traffic control?

Witness: Yes, within Calcutta.

Rai Radha Charan Pal Bahadur: The traffic goes to the mufassal; the merchandise goes to the mufassal.

President: That is a matter for argument. We are now taking Mr. Wilson's evidence on facts.

Rai Radha Charan Pal Bahadur: Mounted police are employed on the Barrackpore road.

Witness: No. They are not employed outside Calcutta. I can speak for the last ten years.

Rai Radha Charan Pal Bahadur: Am I to understand that they are never sent outside Calcutta?

President: There is no statutory prohibition.

President: Are the traffic police (item 6) on the same footing?

Witness: The Public Vehicles Department is included in the traffic police, because the Accountant-General has included them together in the budget.

Rai Radha Charan Pal Bahadur: The Public Vehicles Department yields a revenue.

Witness: Yes, about two lakhs.

Mr. Beadel: That goes into Government receipts?

Witness: Yes.

Mr. Beadel: Do the Calcutta police ever control the traffic on the Grand Trunk Road?

Witness: No. They have no authority outside the Calcutta police limits.

President: Does not a certain proportion of item 6 (traffic police) and item 7 (mounted police) come under item 13 (outside Calcutta municipality)?

Witness: Yes, but it is difficult to give an exact figure.

Rai Ramtaran Banarji Bahadur: Were not mounted police sent to the riot at Garden Reach?

Witness: No. There is nothing to prevent such a thing of course.

Rai Upendra Lal Roy Bahadur: Such activities would only occupy an inconsiderable proportion of their time.

Witness: Yes.

President: What places within the Calcutta police limits are outside the municipal limits? Cossipore-Chitpore, Maniktolla, a little of Tollygunge and of Garden Reach?

Witness: Yes.

President: Eight or nine square miles?

Witness: I am not sure. The total area is 32 square miles.

President: Then I can find out the difference. I think it will be about six or seven square miles.

Witness: More, I think. About eight square miles.

Mr. Dutt: Are the traffic police occupied much in those parts?

Witness: No. Ordinarily speaking they are not, but they are always liable to service, *e.g.*, at the Muharram.

President: The intensity of their work is less in such places. Let us leave it at that. Item 5, armed police, are these used solely for local purposes?

Witness: The statement needs modification in that respect. Guards to certain imperial buildings are provided from the armed police, *e.g.*, the Currency Office, Customs House and the Calcutta Collectorate. I can send you the figures.

President: Please do so; that would be a help.

Witness: In 1915 one of our existing three companies of armed police was sanctioned principally for the protection of buildings. One third of the cost of the armed police might therefore almost be said to be provincial.

President: Take item 4, courts.

Witness: All these figures are complicated by the fact that by the term local you mean the municipal area, and I mean the Calcutta police area.

President: We realise that.

Witness: There are two Presidency courts.

President: The Sealdah Court deals with cases of the 24-Parganas district. Are the courts at Alipore and Sealdah guarded by the Bengal police?

Witness: No. The Calcutta police provide guards for the Sealdah court and the Alipore Police Court.

Mr. Beadel: What about the sergeants who are on duty at the Council Chamber?

Witness: That is not a permanent duty. They are obtained from under several heads.

Mr. Dutt: A great deal of the work in connection with the High Court is purely local?

Witness: Yes.

President: Item 3, patrol, are these ordinary paharawalas?

Witness: Yes. They are the watch and ward police.

President: Do any of them come under item 13, viz., outside the Calcutta municipality?

Witness: No.

President: If any charge is local, this charge is local.

Witness: That is so.

President: You suggest that a good deal of item 2, investigation, is not strictly local?

Witness: Yes. Enquiries come from Bengal and from all over India.

President: Would the proportion of half and half be generous to the locality?

Witness: It is impossible to allocate exactly.

President: Have you much work in connection with persons coming into Calcutta by sea from foreign countries?

Witness: That is all done by the port police.

Mr. Beadel: You could not give us any information as to the number of cases dealt with which concern Calcutta residents only?

Witness: No, that could not be done.

President: *Primâ facie* the proportion of half and half would be generous to the locality.

Mr. Dutt: Three-fourths perhaps.

Rai Radha Charan Pal Bahadur: Oh no!

Witness: It is impossible to apportion.

President: What sort of crime might be described as non-local crime?

Witness: Absconders for instance, and the case of police officers completing an investigation in Calcutta and requiring assistance.

President: Don't your men go outside Calcutta also?

Witness: Not so frequently.

President: Take item 1, administration. Are not some Deputy-Commissioners and some Assistant-Commissioners allotted to particular heads?

Witness: One Deputy-Commissioner and two Assistant-Commissioners may be put under the head traffic police, *i.e.*, Public Vehicles Department. They are engaged on local work.

President: What proportion would go to patrol?

Witness: No special proportion. To investigation and patrol combined could be allotted two Deputy-Commissioners and four Assistant-Commissioners, apart from certain administrative duties they have. Two Deputy-Commissioners and two Assistant-Commissioners might also be placed under Criminal Investigation Department and Special Branch. This leaves one Deputy-Commissioner and two Assistant-Commissioners for administration.

Mr. Dutt: What about the Commissioner of Police?

President: Charges on his account would be divided in the same proportion as the total expenditure is divided between local and provincial heads.

Rai Upendra Lall Roy Bahadur: No superior officers are included under patrol. Why is this?

Witness: Sergeants are whole time on this duty. It is possible to include them therefore, but not superior officers.

Rai Upendra Lall Roy Bahadur: What of the railway police?

Witness: Their charges are not included in our budget.

Rai Upendra Lall Roy Bahadur: You have to refer to Bombay and other places. Can you give us any idea of the proportion of time taken up in this way?

Witness: No. We refer to every country in the world.

Mr. Dutt: As regards investigation, do you institute more enquiries outside Calcutta than you receive into Calcutta.

Witness: More enquiries come in than go out.

Oral evidence of Mr. C. C. Chatterjee, Deputy Chairman, Corporation of Calcutta.

President: The rates are now $19\frac{1}{2}$ per cent.?

Witness: Yes.

President: Of which amount half is paid by the owner and half by the occupier?

Witness: Yes.

President: Supposing an additional two per cent. rate was imposed on occupiers, would there be any administrative difficulty in its collection?

Witness: I do not think there would, provided that the decision to impose the rate was arrived at a few months before the commencement of the year in which the rate was to be imposed.

President: For how many years has the rate stood at $19\frac{1}{2}$ per cent.?

Witness: For over forty years.

President: The maximum rate allowed by the law is 23 per cent. *plus* 2 per cent. is it not, that is, 23 per cent. under the Municipal Act and 2 per cent. under the Improvement Trust Act?

Witness: The increase leviable under the latter Act is in fact inoperative, and it is not two per cent., but only to the extent that may be necessary just to enable the Corporation to meet, in the first instance, the loan charges of the Corporation under section 140 of the Calcutta Municipal Act, and secondly, the contribution payable to the Trust under the Calcutta Improvement Act, section 88. Payment for the loans of the Corporation would have to amount to a rate of 23 per cent. before another two per cent. for payment of the contribution to the Trust could be levied, that is, charges on account of loans would have to absorb the whole of the Corporation's income from the 23 per cent. rate. This contingency could never arise.

President: Then 23 per cent. is virtually the maximum leviable by the Corporation?

Witness: Yes.

Mr. Beadel: Is not the Improvement Act down for revision?

Witness: Yes.

Mr. Beadel: Then it should be altered in that respect.

Rai Radha Charan Pal Bahadur: It does not affect you. We have to pay the 2 per cent.

President: The Secretary of State intended the imposition of an *extra* rate. (To witness). You are budgeting for a deficit next year?

Witness: For several years now.

President: What is your expected deficit next year?

Witness: About three and a half lakhs, *vide* statement C attached to my note.*

President: You meet the deficit from your balance?

Witness: Yes, but we have now reached the utmost limit, up to which we can raid the balance.

Rai Upendra Lall Roy Bahadur: Next year you could manage in the same way, I think?

Witness: No. I fear we cannot, because, for working purposes, we cannot further draw on the balances, and this has been fully explained in my note.

President: The total expenditure is estimated to increase from 181 to 217 lakhs between the years 1922-23 and 1926-27. How much of this increase is due to the water loan?

Witness: This is shown against item 4 in table B attached to my note.

President: What is the position of the new drainage outfall scheme?

Witness: Within a few years it will almost certainly be necessary to undertake it; Government has given us a warning. Provision has been made for it in the forecast, *vide* item 6 in table B.

President: The water scheme is fixed and sanctioned?

Witness: Yes.

Rai Radha Charan Pal Bahadur: Not fixed. The unfiltered water supply is going to pieces, and there is a scheme for its improvement which will cost forty to fifty lakhs, I believe.

Witness: Yes. We have provided for the improvement of the unfiltered water supply too in the new scheme for the improvement of the water supply of Calcutta.

Rai Radha Charan Pal Bahadur: We are immediately installing an electric motor which will cost 2½ lakhs.

President: You are going to borrow 20 lakhs for works of petty improvement?

Witness: Yes, that is the figure taken for the purposes of the forecast for general improvement works. But the Chief Engineer thinks that this estimate will be doubled. The waiting list of projects which have been mooted is a formidable one, *vide* list D of my note.

President: Can you explain to us why the Corporation, after having carried on for forty years with a 19½ per cent. rate, suddenly find themselves unable to do so any longer?

Witness: The aftermath of the war is the cause of this, with its resultant rise in the cost of establishment, wages, materials, etc. There has been an all round rise in every thing.

Mr. Beadel: You have only been able to keep to the figure because your assessment has gone up and you cannot expect it to go up much more now.

Rai Radha Charan Pal Bahadur: That is a way of increasing the rate.

Mr. Beadel: It doesn't *look* so bad.

President: To what extent has the assessment risen in the last few years?

Witness: In 1880-81 the rateable valuation of the city was one crore 32 lakhs odd, in 1920-21, 5 crores 37 lakhs odd.

President: What was it in 1910-11?

Witness: Three crores 40 lakhs odd.

President: Forty per cent. increase.

Witness: Growth has been rapid of late years.

President: Two crores in ten years, or 20 lakhs a year. (To witness). Can you give us the figures relating to the rise of the consolidated rate for ten years?

Witness: In 1910 the amount received by way of rates was 62 lakhs, in 1921 99 lakhs.

President: You take a lakh and a quarter as normal increase for establishment.

Witness: Yes, but in the past the normal annual increase has been Rs 1,30,000.

Mr. Beadel: I suppose that most establishments are now at their high water mark, and the cost of living is more likely to go down than up.

Witness: That is doubtful.

Rai Upendra Lall Roy Bahadur: It is going down, I think.

Witness: But take the price of coal which is continuing to rise gradually.

Rai Upendra Lall Roy Bahadur: That is temporary, due to the coal strike.

Rai Radha Charan Pal Bahadur: I do not see much fall.

Rai Ramtaran Banarji Bahadur: The prices of rice and cloth are not going down.

President: It is clear that an increase of four lakhs a year in the consolidated rate is a fair estimate, and the estimate of an increase of one lakh from other receipts is fair. The water works will cost 15½ lakhs.

Mr. Beadel: They seem bankrupt.

Witness: We are absolutely bankrupt, I fear.

Mr. Beadel: What class would be hit mostly by a rise in the consolidated rate?

Witness: Every class would be hit.

Rai Ramtaran Banarji Bahadur: The middle class owners and occupiers would be most hit.

President: I agree.

Mr. Beadel: Take clerks. Many of these live outside the municipal limits.

President: Yes, but a great many also live in Calcutta. Many own their own houses or have a share in their own houses.

Witness: I should say that 80 per cent. of them live in Calcutta.

Rai Ramtaran Banarji Bahadur: Most of them live in their ancestral houses. To own one's house is appropriate to oriental ideas.

President: No doubt the Corporation have put the worst complexion on the position, but, looking at it, I do not think that they are far wrong. They will have to raise their rate.

Witness: We have tried to make the estimates look as well as possible.

President: According to your account, you will have to raise the rates by a $3\frac{1}{2}$ per cent. rate by 1926-27.

Witness: Much sooner, I think. In 1920-21 I had anticipated that the expenditure would rise to 173 lakhs by 25-26, but by 1921-22 the actual expenditure reached 178 lakhs.

President: It is not a question of making the Corporation pay. The rate would fall on the people, but the position would be effected by the power of the Corporation to raise a higher rate.

Rai Radha Charan Pal Bahadur: We have reduced our programme of new works to a nominal figure. The list of items has been ruthlessly blue-pencilled and cut out.

President: If we took half the cost of the Calcutta police, that is 18 or 19 lakhs, and put it on the city of Calcutta, an addition of 3 per cent. to occupiers' rates would be necessary.

Rai Ramtaran Banarji Bahadur: The city is not in a position to bear it. Only this year we succeeded in keeping the rates to the same level by cutting down all improvements and new works.

President: If you desire progress, you have to pay for progress.

Rai Radha Charan Pal Bahadur: Then take away your reforms, and give us back the system of Lieutenant-Governors.

President: Is there any reason why an English town should pay rates of 75 per cent., and also pay for its police, and Calcutta should not?

Witness: The facts are quite different. Take the London County Council. Its county rate in 1918-19 amounted as follows in the pound:—

General county rate for all parishes including the City of London	...	15.25 pence.
Special county rate levied only outside the City of London	...	1.75 „
Education rate	...	27 „
<i>Total County rate—</i>		
(a) For the City of London	...	42.25 „
(b) For parishes outside the City of London	...	44.00 (or about 18 p.c.)

President: Yes, but those are the rates of the County Council only. Besides that there are the borough rates. Even the poorer boroughs in London pay 125 per cent.

Witness: That may be, but they are not all for purely municipal services as we understand them here; besides, the exchequer gives many contributions in England for the city service, while here we have no contributions worth the name. If the taxation of the province of Bengal is analysed, it will be found that, excepting land revenue, 80 per cent. of the revenue of the province is drawn from Calcutta.

President: Is there any other question?

Rai Radha Charan Pal Bahadur: I should like a note from the Deputy Chairman on the imposition of a police rate.

Witness: I left that question untouched.

President: I suppose that there would be great difficulty in assessing a police rate on any other basis than the basis of the municipal rate?

Witness: I have not considered that point. It would of course be difficult.

Rai Radha Charan Pal Bahadur: Let Government do it. We are already sufficiently obnoxious.

Mr. Beadel: It would mean a new department.

President: I think that the Committee would agree that it is so.

Rai Ramtaran Banarji Bahadur: I am not in a position to give an opinion offhand. The matter requires deliberation.

Rai Radha Charan Pal Bahadur: Let us first decide whether to recommend the imposition of a rate or not.

Rai Upendra Lall Roy Bahadur: In the tables given in your note you have taken the average of the last five years, have you not?

Witness: I have taken much less than the average of the last five years. This can be seen by referring to my notes. In the last twenty years the average growth of expenditure has been 9 lakhs per annum. We have taken an increase of seven lakhs as our average.

Rai Upendra Lall Roy Bahadur: Has not your revenue increased in proportion?

Witness: No, the growth in expenditure has outstripped the growth in revenues.

President: In the case of primary education, are not the Corporation undertaking to pay the whole of the recurring charges?

Witness: Yes. This is a new responsibility which the Corporation have undertaken. We have also, lately taken over a substantial expenditure in connection with hospitals and dispensaries.

Rai Radha Charan Pal Bahadur: And the Veterinary Department.

Witness: In England, Government makes a substantial contribution for the health services.

Rai Radha Charan Pal Bahadur: I should like a note from the Deputy Chairman regarding the question of a police rate, that is, what the relative position is in other countries and in other cities in India, what administrative agency should be employed in collecting it, etc. Such a note would help us a great deal.

Rai Ramtaran Banarji Bahadur: Yes. It would help us to have the views of the Corporation in this matter, and also as to whether it is the function of the State to afford protection to its citizens.

Rai Upendra Lal Roy Bahadur: There would be no harm in obtaining such a note.

Witness: I can try to give you information regarding the practice in some other countries.

President: We have all that.

Rai Ramtaran Banarji Bahadur: It would be better to have it in the form of a note.

Rai Radha Charan Pal Bahadur: With the Deputy Chairman's comments.

Witness: Such comments would have to be my personal comments, and not the views of the Corporation.

Rai Radha Charan Pal Bahadur: That is what we want.

President: Then you should see the Deputy Chairman, and let him know exactly what you want and on what points you wish him to give you information.

Khan Bahadur Khawaja Muhammad Azam: After receipt of the note, we should discuss the question of a police rate, whether it can be imposed or not.

Rai Upendra Lal Roy Bahadur: We have open minds on that question yet.

President: When could the Deputy Chairman let us have the note?

Witness: By the middle of March.

President: We cannot fix the date of the next meeting until we get the Deputy Chairman's note.

Rai Ramtaran Banarji Bahadur: I should like information as to what the city pays to the imperial revenues in income tax and excise, etc.

President: That information could be easily obtained as regards excise and income tax.

Rai Ramtaran Banarji Bahadur: The suggestion of a police rate came from mufassal members. The city would retort "we are contributing to imperial and provincial funds and the mufassal reaps the benefit of our contributions." Further, if the city is to contribute towards the cost of the police, then it should control the police, and I shall raise the question of control.

APPENDIX B.

Note on the financial position of the Corporation and its resources by C. C. Chatterjee, Deputy-Chairman.

The President of the Calcutta Police Rate Committee desires information regarding the resources of the Corporation and its present financial position, with special reference to the following points:—

- (a) whether its resources are fully pledged;
- (b) whether sanctioned improvements have been held up for want of funds; and
- (c) whether Government make any grants to the Corporation or bear any expenditure in respect of education, hospitals and sanitation.

2. It is assumed that, just at present, the question as to whether an additional police rate should be imposed or not, is not being taken into consideration. This note does not therefore deal with that question at all. It may be necessary to say a good deal about that when the time comes.

3. An idea of the present financial position of the Corporation will, it is hoped, be readily gathered from the note submitted to the Budget Sub-Committee which is now sitting for the consideration of the draft budget of the Corporation for 1922-23. A copy of that note is annexed.

4. As regards the points (a), (b), and (c), referred to above, necessary information has been furnished in the statements prepared by the Chief Accountant and which are submitted herewith.

Statement A is a forecast of the receipts for the 5 years from 1922-23 to 1926-27.

Statement B is a forecast of the expenditure for the 5 years from 1922-23 to 1926-27.

Statement C is an abstract of the above two statements.

Statement D is the list of big loan works which have been finally matured, but are waiting for want of funds. (Works of a minor character have not been shown in this list.)

Statement E gives information regarding the contributions made by Government to the Corporation.

5. It will be abundantly clear from the above annexures that the present financial position of the Corporation is very critical, and that the imposition of the maximum rate leviable under the law, just to enable the Corporation to barely pay its way and to carry on somehow, is imminent. As a matter of fact, this was foreseen by me two years ago when I submitted to Mr. Donald at his request a note on the subject. It had then been anticipated that the average expenditure of the Corporation during the quinquennium ending 1925-26 would be about Rs. 173 lakhs, but already in 1921-22 the expenditure figure has reached Rs. 178 lakhs, and it is estimated to be Rs. 182 lakhs next year. Mr. Payne too, in his last administration report (*vide* page 3), foresaw that increase in the rates was inevitable.

6. The forecast of expenditure for the next five years now prepared by the Chief Accountant has, as a matter of fact, been compiled with scrupulous regard for the observance of the most rigid economy possible in all directions. Only the essential items of expenditure have been provided for. This is borne out by the fact that, although the average growth of normal expenditure during the last 10 years has been Rs. 9 lakhs per year, a sum of only Rs. 8 lakhs in the average has been provided as the normal growth per year during the next 5 years. Notwithstanding such an absolutely conservative estimate, the forecast shows that even with the rates pitched up to the maximum, there will be deficit almost every year. It is, however, very much doubtful whether it will be possible to restrict the expenditure on the lines of this forecast, having regard to the crying needs of the city, and one cannot therefore help thinking that the actual expenditure will be considerably greater than what has been anticipated in these forecasts, specially in view of the increasing mileage of roads to be made over by the Improvement Trust, involving as it does an all-round increase in expenditure in all directions, *viz.*, engineering works, conservancy, water-supply, drainage, lighting, etc.

7. In the other great spending departments of the Corporation, such as the health department, there is also a likelihood of considerable increase in expenditure by the establishment of a city veterinary department, extension of child welfare work and maternity homes, anti-tuberculosis schemes, opening out of new dispensaries and in connection with various other improvements in other directions, now under consideration and to which the Corporation is practically committed. The Corporation is also committed to a huge outlay in connection with the gradual introduction of free and compulsory primary education.

8. Over and above all these, the spectre of an enormous outlay in connection with the rehabilitation of the drainage outfall of the city is looming large, and within the next 5 years the Corporation must have to undertake this gigantic scheme. On the other hand there is very little room for curtailment of expenditure by any substantial retrenchment of establishment.

9. Although the consolidated rate may be pitched up to 23 per cent. under the Calcutta Municipal Act, it has to be remembered that the rating of the city on a 19½ per cent. basis has been in vogue for over 40 years, and the rate-payers for over two

generations have now become accustomed to this rate of rating. Money has been invested in Calcutta properties evidently in the hope that the maximum rate which will be levied will be on a 19½ per cent basis. That being so, it would be no easy matter to raise the percentage now, specially in view of the fact that the ratepayers' *ability to pay* has also a limit. Within this period of 40 years the capacity of the citizens of Calcutta to pay taxes has been trenched upon in numberless ways by various enactments, which have been embodied in the statute book from time to time, the most important among which is the imposition of the income-tax. Having regard to all these circumstances, the time seems to be very inopportune to resort to a higher percentage of rating. Even with the present rate, it appears that one out of every eight houses occupied by the owner is rated on a lower percentage under section 151 (b) (iii) of the Calcutta Municipal Act. Various causes have operated to raise the land values of Calcutta hitherto, so much so that, in the case of houses occupied by the owners themselves, the complaint is almost universal that, although the owners thereof cannot take advantage of this unearned increment, and though there has been in a large majority of cases a decline in their earnings, yet they have to pay a very much higher amount in respect of the consolidated rate than what they or their ancestors had to pay one or two decades before. In fact, within the last 12 or 15 years, in a good number of cases the consolidated rate has increased by about cent. per cent. Under these circumstances, it is hardly possible to expect that there will be anything but a tremendous and tumultuous opposition to the enhancement of the percentage of rates. Nevertheless, the forecasts unmistakeably point to the fact that there is no alternative left to the Corporation but to levy the maximum rate now leviable before the end of the next quinquennium.

10. There is no gainsaying the fact that the outlook is very gloomy. There are so many depressing elements and factors present in the atmosphere now, that one finds oneself unable to take an optimistic view of the situation in the near future. At present we are confronted with a marked slump and depression in trade, and a general commercial inactivity. Labour has been demoralized, and with unrest and civil disobedience in the air, investors appear to be unwilling to invest their money in real properties in Calcutta. Capitalists, specially British capitalists, are shy, and American firms are winding up their concerns. There is a total suspension of building activities by Government and also by mercantile houses, mills, etc. New floatations of a reliable character are very rare. Added to all these, the present activity in building operations among private persons may, according to owners of big house properties in Calcutta, specially in the European quarter, soon overtake the demand, and then the supply of houses will be more than what is required. The consequent result, it is feared, will be that rents will fall and land values will automatically diminish. The recent census figures also disclose the fact that there is a comparatively larger increase of population in the suburbs than within the city itself, and, with the spread of city amenities in the suburbs, such as the development of the Regent Park Estate, and facilities in communications, this tendency will still further be accelerated. There is thus every likelihood of these depreciating factors, which already render the possibility of a growth in the income of the Corporation doubtful, being accentuated rather than being lessened.

11. The only course by which the circumstances may be altered to a great extent is the adoption of measures by the Corporation for the development of the amenities of the city, and this is the only way by which the revenues may be hoped to be increased. The estimated amount which is likely to be incurred in taking up the works and schemes which have already been matured and are waiting to be undertaken, is formidable, and amounts roughly to *seven crores*. Moreover, various other new schemes will doubtless be launched from time to time. Nevertheless the expenditure has got to be faced in the course of the next few years, if the progress of the city has to be maintained, and if the revenues have to be kept up on its present standard. As I have already pointed out, the recurring expenditure of the Corporation is growing apace, and the borrowing capacity depends only on the restriction of the recurring expenditure, this capacity being entirely measured by the surplus of recurring receipts over recurring expenditure. From my note in connection with the draft budget estimate of the next year, it will be seen that the borrowing capacity of the Corporation is going to be almost exhausted, and that there is very little margin left to undertake any further new works. The debts of the Corporation now amount to about 5 crores and 35 lakhs.

12. The execution of the above works and of certain other urgent schemes, which are being taken in hand gradually, will involve an increase of the recurring expenditure of the Corporation by Rs. 62 lakhs per annum. The details of this prospective recurring expenditure are given below:—

	Rs.		
Annual amount of loan charges on loan works costing about 7 crores at Rs. 8,100 per lakh	56,05,000
Other annual recurring charges—			
Veterinary department	50,000
Development of maternity and child welfare work	1,00,000
Anti-tuberculosis campaign	20,000
Infectious diseases hospitals	1,75,000
Conservancy lorries	2,50,000
Total annual recurring charges	62,00,000

13. It will be seen that, having regard to the resources at present at its disposal, the Corporation can hardly perform its legitimate duties to the extent that it ought to, and it would not therefore be fair to impose further burdens on it by throwing all the charges for the maintenance of the hospitals of Calcutta, as has been hinted, specially in view of the fact that these hospitals are for the benefit of the people of the whole province and also of the neighbouring provinces. The fact also remains that the Corporation are making substantial contributions to many of these hospitals in Calcutta, and are indirectly helping others by exempting them from rates.

14. Moreover, during the last few years, the Corporation has established various dispensaries of its own, which have become very popular and are well supplied with a proper staff and other requisites. It has also undertaken the construction of one or two hospitals on a big scale, and one is already under construction.

15. In order to be able to maintain its position as a progressive municipality befitting the second city of the Empire, the Corporation of Calcutta has been obliged from time to time to devise means to augment its resources by measures other than the levy of a rate higher than 19½ per cent. One of the measures in this direction has been the establishment of municipal markets in Calcutta. The success of this measure is undoubted, as the revenues have thereby been increased to the extent of close upon Rs. 10 lakhs per annum. Similarly the taxes on trades, callings and professions, etc., have risen from Rs. 7,24,000 twenty years ago to Rs. 15,46,400, and it is but natural that, with the steady development of the commercial prosperity of the city, the revenue under this head is bound to increase still further. But, as has been already pointed out, the future outlook in this direction is not very hopeful. Unless the prospects of trade and commerce of the city brighten up, there is very little hope of the revenue under the head of license taxes too improving substantially, while, on the other hand, there is every likelihood of a decline, if the present trade and commercial slump continues for some time. The revenue from the markets too cannot be expected to be augmented without a heavy outlay, which the present resources will not permit of.

16. The only conclusion possible in the circumstances set forth above is that the resources of the Corporation are more than fully pledged, and that, far from being able to meet any portion of the police charges of Calcutta, the Corporation, in order to be able to discharge its own duties, may be compelled to approach Government for a substantial subvention, or for the restoration to it of the excise revenues which were once assigned to it. It may be added that the Bombay Corporation is in the enjoyment of revenues from liquor and tobacco licenses and town duties, and its income from this source amounts to about Rs. 20 lakhs per annum.

C. C. CHATTERJEE,

Deputy Chairman.

The 16th February, 1922.

I generally agree.

J. N. GUPTA,

Chairman.

The 16th February, 1922.

Note on the draft budget for 1922-23.

In the draft budget for 1922-23, now laid before the Committee for consideration, it has been estimated that the current financial year (1921-22) will close with a cash balance of Rs. 15,86,910 in the revenue funds, as against the original estimate (which was made last year) of Rs. 20,33,417. The receipts and the payments during the year 1922-23 are estimated to amount to Rs. 1,78,45,953 and Rs. 1,81,93,287, respectively, as against Rs. 1,71,95,744 and Rs. 1,78,23,145, respectively, as per budget estimate for 1921-22. At the time of preparing this draft budget, the estimates of receipts and payments during 1921-22 have been revised on the basis of the actuals of the first nine months and expectations during the last three months of the year. This revised estimate comes to Rs. 1,64,71,919 and Rs. 1,78,21,244 in the cases of receipts and payments, respectively. The above figures are exhibited in the following table for purposes of ready comparison:—

		Budget estimate, 1921-22.	Revised estimate, 1921-22.	Budget estimate, 1922-23.
Opening balance	...	26,65,818	29,36,235	15,86,910
Receipts	...	1,71,95,744	1,64,71,919	1,78,45,953
Payments	...	1,78,23,145	1,78,21,244	1,81,93,287
Closing balance	...	20,33,417	15,86,910	12,39,576

2. It will be seen that, although the actual opening balance of the current year (1921-22) was better by about 2½ lakhs than the estimate made at the time the budget for the year was prepared, the revised closing balance of the current year is expected to be less by about 4½ lakhs than the original estimate. This is due to the fact that the receipts, as per revised estimate, under the heads of markets, slaughter

houses and sale proceeds of surplus lands are expected to be less by about 8½ lakhs, markets alone accounting for a deficiency of about 5½ lakhs. This diminution in receipts is, however, made good to the extent of about 4 lakhs by the improvement in the actual opening balance referred to above, and also by increase in receipts from the consolidated rate by about 2 lakhs. The payments as per revised estimate almost tally with the figure in the original estimate. The experience hitherto, however, has been that the actual payments during the year are a great deal less than the estimate. The explanation for this unusual result this year lies mainly in the fact that a supplementary road repair estimate, amounting to over 2 lakhs, was sanctioned during the year, as also because an emergency purchase of coal of the value of a lakh of rupees had to be made.

3. The most important fact in connection with this draft budget is the serious state of things which it reveals in connection with the finances of the Corporation. It will be seen that the year is expected to open with a balance of Rs. 15,86,000, and that it will close with a balance of about Rs. 12,40,000. These figures have never been so low during the past 10 years or over. Every endeavour has been made in preparing the budget estimate for the next year to cut down all avoidable expenditure, and only the minimum provision necessary for expenditure has been made. One fact is perfectly clear now, and that is that, with the present scales of rates and taxes, it will be difficult to raise the estimate of receipts any further, and that, without raising the rates, there will be absolutely no room for expenditure in connection with any new ideas, schemes or projects, nor will it be possible to make any increase in the present scale of expenditure under any head whatsoever.

4. On pages 1 and 2 of the draft budget, the estimates of receipts and payments of 1922-23 have been compared with those of the current year, and it will be seen from this comparative statement that the increase in receipts is mainly due to increase in rates expected to be received from the revaluation of Barabazar, while the increase in expenditure, notwithstanding the curtailment of all avoidable expenditure, is due to the increased cost of establishment (Rs. 2 lakhs), increased loan charges (Rs. 2 lakhs), contribution to the Calcutta Improvement Trust (Rs. 1 lakh), and the net increased cost of materials (Rs. 1 lakh) due to increased cost of coal. The provident fund contribution has been raised from 6¼ to 8½ per cent., and that accounts for the increase in that head. The provision of new works carried out of revenue has been cut down from Rs. 15½ lakhs in 1921-22 to about Rs. 11¼ lakhs during 1922-23, the principle reductions being under road and footpath improvements, for which a provision of only Rs. 5 lakhs has been made, as compared with Rs. 9 lakhs provided in the budget for 1921-22.

5. The closing balance of 1922-23 is expected to be about Rs. 12,40,000, out of which Rs. 1,32,000 is earmarked for recoupment of a previous shortage in the sinking fund, so that, exclusive of the bare statutory balance of Rs. 2 lakhs, the available balance would be Rs. 9 lakhs only. Practically, however, even this amount will not be available for appropriation during the course of the year under section 126, as the whole of this amount will be required for expenditure immediately on the opening of the following year for meeting the outstanding liabilities of the outgoing year, and it is doubtful whether a balance of Rs. 9 lakhs will be sufficient for the purpose, as in the very first week of April there is the likelihood of an expenditure of not less than Rs. 10 lakhs.

6. It is fortunate that no loan repayments have to be made next year, and also that a very large increase in the consolidated rate is expected because the richest ward in Calcutta, *viz.*, Barabazar, is due for revaluation in 1922-23. Owing to these fortuitous circumstances and as by practising the strictest possible economy, the prospect of raising the rates during the next year (1922-23) might be put off, and the draft budget has been also prepared on those lines, but there is very little likelihood of the Corporation being able to avoid an increase in 1922-23, particularly as a much larger amount will have to be borrowed in 1923-24 for the water-supply scheme than in 1922-23, and there will be heavier expenditure in connection with the primary education scheme.

7. The amount proposed to be borrowed next year is 9½ lakhs, of which Rs. 49,05,000 will be debited to the water-supply loan fund and the balance to the general loan fund; the former is principally for the new water-supply scheme, and the latter for carrying into completion works already taken in hand and for a few new projects which are proposed to be taken up. A sum of Rs. 1 lakh has been provided in the loan budget for capital expenditure in connection with the scheme for the improvement of primary education, of which Rs. 3 lakhs have already been received from Government and the balance will have to be provided by the Corporation. No loan charges for this new loan have been provided for in the draft budget, as nothing will be due next year, there being no likelihood of raising this loan before October to November, but the full amount of interest and sinking fund charges of about 7.5 lakhs will have to be provided in the budget for 1923-24. The margin of the borrowing capacity now left to the Corporation will be almost entirely exhausted by the proposed loan.

8. It will be seen from the above, that, though the position is one of considerable difficulty, it might be lived over in 1922-23 with the exercise of the strictest economy, but the situation will be a great deal worse in the following years, and it would be as well to realise from now that an increase of rates is inevitable, if there is to be progress.

C. C. CHATTERJEE,

Deputy Chairman, Corporation of Calcutta.

STATEMENT A

Showing forecast of receipts for 5 years from 1922-23.

Items of receipt.	1922-23.*		1923-24.		1924-25.		1925-26.		1926-27.		Remarks
	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	Non-recurring.	Recurring.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Consolidated rate	...	4,15,25,000	...	4,19,25,000	...	1,23,25,000	...	1,27,25,000	...	1,31,25,000	Average normal growth taken at Rs. 4 lakhs a year.
Other receipts (recurring)	...	54,81,000	...	56,31,000	...	57,81,000	...	59,31,000	...	60,81,000	Average growth taken at Rs. 1½ lakhs a year.
Sale proceeds of surplus lands and exemption fees (non-recurring).	1,68,000	...	1,00,000	...	4,00,000	...	4,00,000	...	4,00,000	...	Sale proceeds of surplus lands only taken at Rs. 4 lakhs a year. The increase in the figure for 1925-26 is due to lump sum exemption fees expected during the year.
Other receipts (non-recurring)	3,69,000 (a)	...	1,06,000	...	1,00,000	...	1,00,000	...	1,00,000	...	Rs. 1 lakh has been taken as probable receipts on this count each year.
Total	8,37,000	4,70,09,000	5,00,000	4,75,59,000	5,00,000	4,81,09,000	5,00,000	4,86,59,000	5,00,000	4,92,09,000	

* The figures for 1922-24 are based on the Chairman's budget.

(a) The item is made up of the following :—

(1) Initial rent from Sir Stuart Hogg market and College Street market	Rs. 3,04,000
(2) Receipts from the Calcutta Improvement Trust for acquisition of premises of ill-fame near Hazra Square	65,000
Total	3,69,000

Forecast of expenditure for 5 years from 1922-23.

Items of expenditure	1922-23.*		1923-24.		1924-25.		1925-26.		1926-27.		REMARKS.
	Non-recurring	Recurring	Non-recurring	Recurring	Non-recurring	Recurring	Non-recurring	Recurring	Non-recurring	Recurring	
1 Establishment, including labour	Rs. ...	Rs. 43,82,000	Rs. ...	Rs. 15,67,000	Rs. ...	Rs. 46,32,000	Rs. ...	Rs. 47,57,000	Rs. ...	Rs. 48,82,000	Periodical increment net ... 75,000 Average normal annual growth ... 50,000
2 Loan charges— (on existing and on new loans for repayment)	...	38,67,000	...	38,67,000	...	37,30,000†	...	37,42,000	...	37,42,000	† Includes loan charges on Rs. 5,51,500 for repayment of a loan of Rs. 8,70,000 falling due during the year.
3 Loan charges on prospective loans for works— (20 lakhs a year, but 394 lakhs have been included in the loans budget for 1922-23)	...	...	...	3,20,000	...	1,82,000	...	6,14,000	...	8,06,000	1,25,000
4 Loan charges on prospective loans for improvement of water supply— (50 lakhs for 1922-23 and 45 lakhs for each of the next 4 years)	...	...	...	1,05,000	...	7,70,000	...	11,35,000	...	15,00,000	Prospective loan charges have been calculated at 7 per cent. interest and 6½ per cent. growth, which amount to Rs. 8,100 per lakh
5 Loan charges on prospective loans for improvement of primary education— (2 lakhs in 1921-22 and 1 lakh for each of the 3 years from 1923-24)	...	16,000	...	15,000	...	21,000	...	32,000	...	40,000	
6 Loan charges on prospective loans for new drainage outfall scheme— (50 lakhs to be raised in equal portions in 4 years from 1923-24)	...	...	...	...	...	1,92,000	...	3,24,000	...	4,86,000	(b) This will amount to Rs. 6,48,000 each year from the succeeding year.
7 Other recurring expenditure— (except recurring expenditure for improvement of primary education)	...	80,85,000	...	82,35,000	...	83,85,000	...	85,35,000	...	86,85,000	Average growth ... 2,00,000 Less for grants to primary schools ... 50,000
8 Improvement of primary education (recurring)	...	12,000	...	3,04,000	...	3,05,000	...	4,04,000	...	4,42,000	Nett ... 1,50,000
9 Petty works of a permanent nature— (though non-recurring Rs. 40 lakhs at least is expected to be spent every year on similar items)	11,31,000	...	10,00,000	...	10,00,000	...	10,00,000	...	10,00,000	...	
10 Other non-recurring items— (though non-recurring, Rs. 2 lakhs will have to be provided every year for expenditure on similar items)	7,00,000	...	2,00,000	...	2,00,000	...	2,00,000	...	2,00,000	...	
Total	18,31,000	1,63,62,000	12,00,000	1,76,34,000	12,00,000	1,84,90,000	12,00,000	1,95,73,000	12,00,000	2,00,83,000	

* The figures for 1922-23 are based on the Government's budget—

(a) The extraordinary increase is mainly due to the following provisions:—

(1) Purchase of necessary materials

(2) Contribution for Khabra Bazar Bangle

(3) Acquisition of houses of ill-fame in the vicinity of Hazra Square

Rs.

2,50,000

1,67,000

1,67,000

4,84,000

STATEMENT C

Showing abstract of the forecast of receipts and expenditure for the five years from 1922-23 to 1926-27.

	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.
	Rs.	Rs.	Rs.	Rs.	Rs.
Total receipts ...	1,78,46,000	1,80,59,000	1,86,69,000	1,91,59,000	1,97,09,000
Total expenditure ...	1,81,93,000	1,88,54,000	1,96,90,000	2,07,73,000	2,17,83,000
Deficit ...	- 3,47,000	- 7,95,000	- 10,81,000	- 16,14,000	- 20,74,000
Rs. 5,86,000 can be drawn from the opening balance of Rs. 15,86,000 on 1st April, 1922 to meet the deficit; the balance Rs. 10 lakhs must be left intact to meet out-standing liabilities on the 1st day of the year.	+ 3,47,000	+ 2,39,000	...	...	...
Deficit to be met by raising of rate.	...	- 5,56,000	- 10,81,000	- 16,14,000	- 20,74,000
1 per cent. increase in rate represents.	...	6,00,000	6,20,000	6,40,000	6,60,000

N.B.—This forecast is prepared on the best information obtainable from all sources, and shows that the maximum statutory limit of taxation will be reached in 1926-27; moreover, sanctioned improvements are being held over to a very considerable extent already for want of funds; this can be done for a year or so, but cannot go on indefinitely.

W. H. ROGERS FORD, A.C.A.,

9th February, 1922.

Chief Accountant, Corporation of Calcutta.

STATEMENT D

Showing list of loan works waiting for want of funds.

	Rs.	
1. Milk market at 2 and 4, Harrison Road (land) ...	1,94,000	Corporation 7-7-20.
2. Kidderpore Dispensary Hospital and Maternity Home ...	11,09,000	Ditto.
3. Maternity Home in the south of the city ...	70,000	Corporation 7-1-20.
4. Development of the area between Rup Chand Mukherjee Street and Russa Road South ...	16,98,730	Government 1583 L.S.G. 11-3-21.
5. Widening eastern end of Corporation Street ...	3,46,640	Corporation 15-12-20.
6. Childrens' park at Michael Dutt Street ...	1,89,034	Corporation 26-1-21.
7. Widening Naba Raha Lane and opening out roads in the vicinity ...	6,28,500	
8. Development of the area between Watgunge Street, Hem Ch. Street, Puddopuker Road, East Lane and Watgunge bustee ...	12,01,932	
9. Widening Joy Mitter Street ...	1,14,189	Government 3995 L.S.G. 29-8-21.
10. Improving the area west of Bhowanipore Road	11,45,000	Corporation 7-12-21.
11. Construction of a bridge over Tolly's Nullah (Corporation share) ...	3,68,763	Corporation 31-8-21.
12. Extension of Muhammadan burial ground (land)	3,19,000	
13. Widening Pitamber Ghattach Lane ...	2,51,375	
14. Development of the area west of Ritchie Road extension ...	19,33,500	

	Rs.	
15. Construction of a road connecting Ramkamal Mukherjee Street with Mohon Chandra Road ...	3,53,634	
16. Municipal dairy farm	10,00,000	
17. Remodelling of Entally workshop	10,00,000	
18. Balance of the cost of the Calcutta drainage outfall	1,00,00,000	
19. Drainage of Tangra area	2,32,00,000	
20. Reconstruction of the foundation of roads	21,50,000	
21. Contribution for reconstruction of Howrah Bridge (say 1/5th of £20,00,000)	60,00,000	
22. Markets at Bhowanipore and Orphangunge	32,00,000	
23. Infectious diseases hospitals	14,85,000	Corporation 4-5-21.
24. Acquisition of land for a 10 ft. road connecting European Asylum Lane and Munshi Uliulla Lane	2,00,000	
25. Widening Cantopher Lane	7,12,000	
26. 20 ft. road connecting Harish Chatterjee Street with Harish Mukherjee Road through premises No. 118, Harish Mukherjee Road	1,04,700	
27. Opening out of the area near Jala Lane	2,52,000	
28. Widening Bertram Street and extending Humayun Place to Bertram Street	7,58,000	
29. Widening the eastern end of Lindsay Street	54,775	
30. Widening a portion of Masjidbari Street	1,07,200	
31. 50 ft. road connecting Ekbalpore Lane and Remount Road and a 40 ft. cross road	8,71,500	
32. 40 ft. road connecting Gariahat Road and Kanakulia Road	2,29,000	
33. Muktaram Babu Street widening	5,55,000	
34. Improving Circular Garden Reach Road	2,24,410	
35. 40 ft. road connecting Hari Ghosh Street and Cornwallis Street	57,000	
36. Improving the area near Onrait 1st and 2nd Lanes	4,00,000	
37. Opening out a road between Wellington Street and Lower Circular Road, Ward 11	56,00,000	
38. Extension of Alipore Park South	11,00,000	
Total amount of loan	6,91,93,882	
or say	6,92,00,000	

STATEMENT E

Showing the contributions made to the Corporation by Government.

The provincial Government at present pays to the Corporation the following grants for the purposes noted against each:—

	Rs.
1. For improved conservancy of commercial area	2,500
2. For additional lights in ditto	2,500
3. For electric lighting in Chowringhee	4,120
4. For loan charges for the fringe area drainage (1/3rd of the annual liability of the Corporation for repayment of loans for the fringe area drainage only)	13,173
5. For improved sanitation and conservancy of Hastings Ward No. 18	4,772*

* (Bengal Government letters Nos. 2707 (Durdjeeling) dated 16th June, 1873 and 2792 dated 25th October, 1873, sanctioned an annual subsidy up to the limit of Rs. 5,000 then levied by Government as rent to meet the excess expenditure incurred by the Corporation for the sanitation and conservancy including roads, etc., of Hastings).

NOTE:—An equivalent amount as per items 1 and 2 was hitherto paid by the India Government, but it has been stopped since 1921-22 and the Bengal Government has been asked by us to contribute $\frac{1}{2}$ (Rs. 2,500) of what the imperial Government had been paying, the other half being defrayed by the Corporation.

2. The Government at present pay no grant to the Corporation for education, hospitals or sanitation; but they have paid only Rs. 3 lakhs for the new scheme for the improvement of primary education and have promised to pay the entire capital cost of the new training college (Rs. 2,68,000) and $\frac{3}{4}$ lths of the capital cost of the rest of the scheme (Rs. 14,28,000). The Corporation will have to bear the balance of capital cost, viz., Rs. 4,76,000, besides the recurring charges, of which Rs. 10,000 a year for 3 years for the maintenance of the training college and Rs. 30,000 a year (which the Government now spend in grants to primary schools) will be paid by Government.

APPENDIX C.

I.—Statement prepared by the Commissioner of Police, Calcutta showing the approximate cost of the Calcutta police under the various heads of expenditure.

	Commissioner.	Deputy Commissioner.	Assistant Commissioners.	Inspectors.	Sub-Inspectors.	Sergeants.	Assistant Sub-Inspectors.	Head Constables.	Constables.	Peon men.	Total.	Local.	Provincial.
											Rs.	Rs.	Rs.
1. Administration (a)	1	6	19	...	...	...	...	...	...	...	3,49,900	1,74,950	1,74,950
2. Investigation (a)	20	52	...	78	158	398	...	5,38,700	2,69,350	2,69,350
3. Patrol (b)	19	...	...	1,091	...	4,04,100	4,04,100	.....
4. Courts (b)	9	6	5	8	...	76	...	96,400	96,400	...
5. Armed police (b)	1	3	6	...	36	288	...	1,52,400	1,52,400	.....
6. Traffic police (b)	7	...	15	3	36	116	...	3,64,600	3,64,600	.....
7. Mounted police (b)	1	1	10	...	5	48	...	1,28,500	1,28,500	...
8. Guards (c)	3	1	29	6	75	497	...	2,65,000	.....	2,65,000
9. Escorts and orderlies (a)	18	...	6	128	...	1,93,400	51,700	51,700
10. Reserve (a)	16	14	...	...	658	...	3,20,600	1,60,300	1,60,300
11. Criminal Investigation Department and Special Branch (a)	15	19	...	28	4	100	...	2,16,100	1,08,050	1,08,050
12. Port police	1	1	2	5	13	7	56	481	150	4,36,500	.....	.....
13. Outside Calcutta municipality	1	5	4	13	26	332	...	1,85,000	.....	.....
Total	1	7	11	56	111	154	144	412	4,333	150	35,61,200	19,20,250	10,29,350

NOTE.—The Port police may be excluded, as the Port Commissioners pay 75ths of the charges and Government 25ths.
 (a) may be divided equally under "local" and "provincial."
 (b) may be treated as "local," (c) "provincial."
 (Temporary establishment not shown in the statement.)

II.—List prepared by the Commissioner of Police, Calcutta, of armed guards for Government buildings in Calcutta supplied from the Calcutta Police.

	Non-Commissioned Officers.	Sepoys.
Currency office	2	15
Collectorate office	2	8
Customs House	2	8
Stamp office	2	10
Imperial Bank (Burra Bazar Branch)	2	8
13 and 14, Elysium Row (Bengal Intelligence Branch)	2	9
87A, Park Street (Munitions Board)	1	4

*III.—List of unarmed guards for Government buildings in Calcutta
supplied from the Calcutta police.*

			Inspectors.	Sub-In- spectors.	Sergeants.	Assistant Sub-In- spectors.	Head Con- stables.	Constables.
Government House ...	...	...	1	...	...	...	12	37
Military Secretariat ...	...	...	...	...	...	...	2	9
Curzon Gardens ...	...	...	...	...	...	...	...	3
Custom House ...	...	...	...	...	...	...	2	12
General Post Office ...	...	...	...	...	...	...	...	3
Burrabazar Post Office	...	...	...	...	...	...	...	1
Writers' Buildings ...	..	...	...	...	...	...	2	16
Board of Revenue ...	...	...	...	...	...	...	...	3
Dalhousie Square ...	...	...	...	...	...	...	...	1
Telegraph Office ...	...	...	...	...	...	...	..	1
Gun Foundry ...	...	...	...	...	...	...	3	25
Imperial Secretariat	...	...	...	...	...	...	2	9
Treasury Buildings ...	...	...	...	...	...	...	...	4
Government Printing	...	...	...	...	...	...	...	3
Accountant-General, Bengal Office	...	...	...	...	...	...	2	12
Belvedere ...	...	...	...	...	1	...	3	15
Army Clothing Factory	...	...	...	...	...	...	2	9
Telegraph stores ...	...	...	...	...	...	...	1	6
Zoological Gardens ...	...	...	...	...	...	...	...	2
Mathematical Instrument (Survey) Office	...	...	...	...	...	...	...	4
Fort ...	...	...	1	...	...	...	2	18
Ordnance stores ...	...	...	...	...	...	...	1	6
Mint ...	...	...	...	...	1	...	4	46
Coroner's Court ...	...	...	...	...	1	...	...	...
Shipping office ...	...	...	...	...	1	...	...	...
Ditto Kidderpore branch	...	...	...	...	...	...	1	...
High Court ...	...	...	1	...	12	...	...	3
Small Cause Court ...	...	...	...	...	...	...	1	1
Police Hospital	3
Ditto nursing orderlies	1	6
Lall Bazar Lock-up	2	1	2	8
Total	3	...	18	1	43	266

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